



PX-2296.1

## **Agenda**

**App Store Team Update**

**CY2012 App Store Business Update**

**Q & A**

Apple Need-to-Know Confidential

2

PX-2296.2

**CONFIDENTIAL**

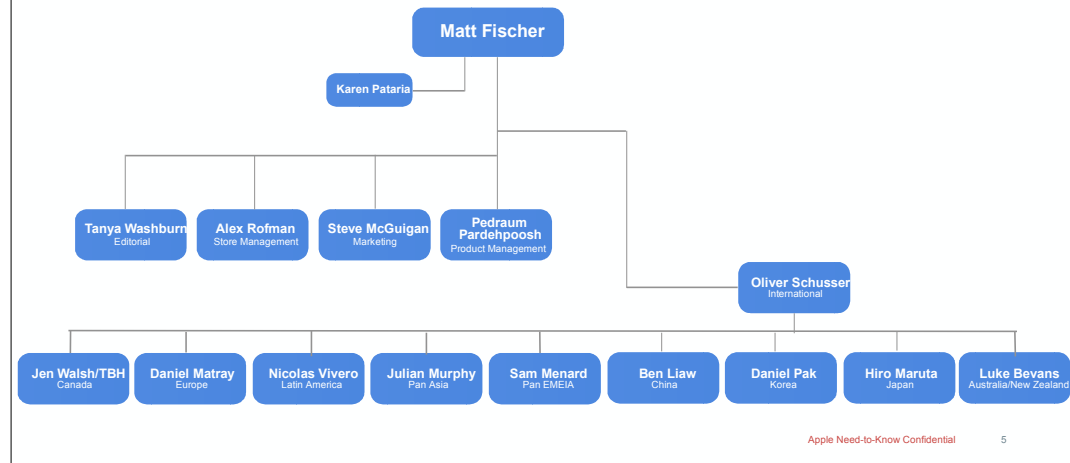
Apple Need-to-Know Confidential 3

PX-2296.3

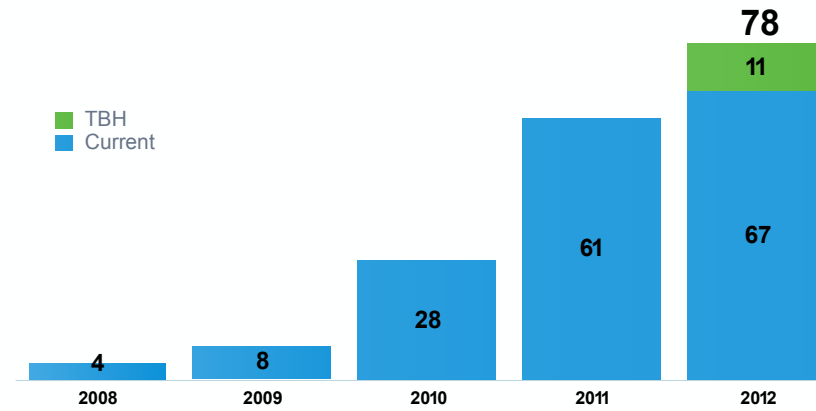
## App Store Team Update

PX-2296.4

# App Store Management Team



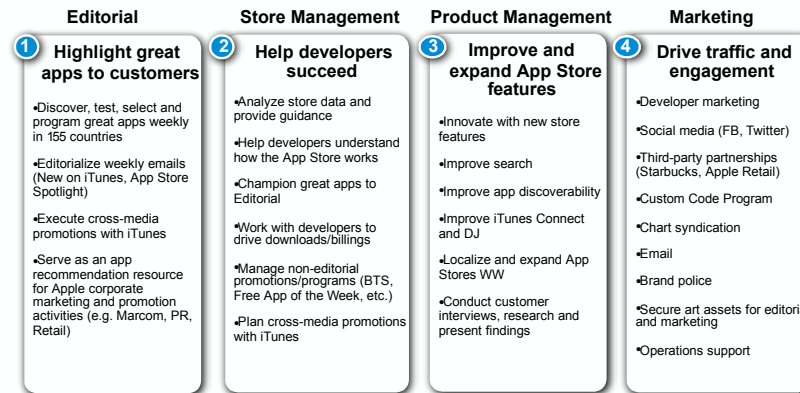
## App Store Team Growth - 2008 to Present



Apple Need-to-Know Confidential

X

# App Store Team Overview



Apple Confidential

PX-2296.7

## App Store Team Mission



## App Store Team Mission

**Help our customers find  
great apps**

Apple Need-to-Know Confidential 8

## CY2012 App Store Business Update



# 450M

iOS devices sold

\*Source: Apple.

Apple Need-to-Know Confidential

10



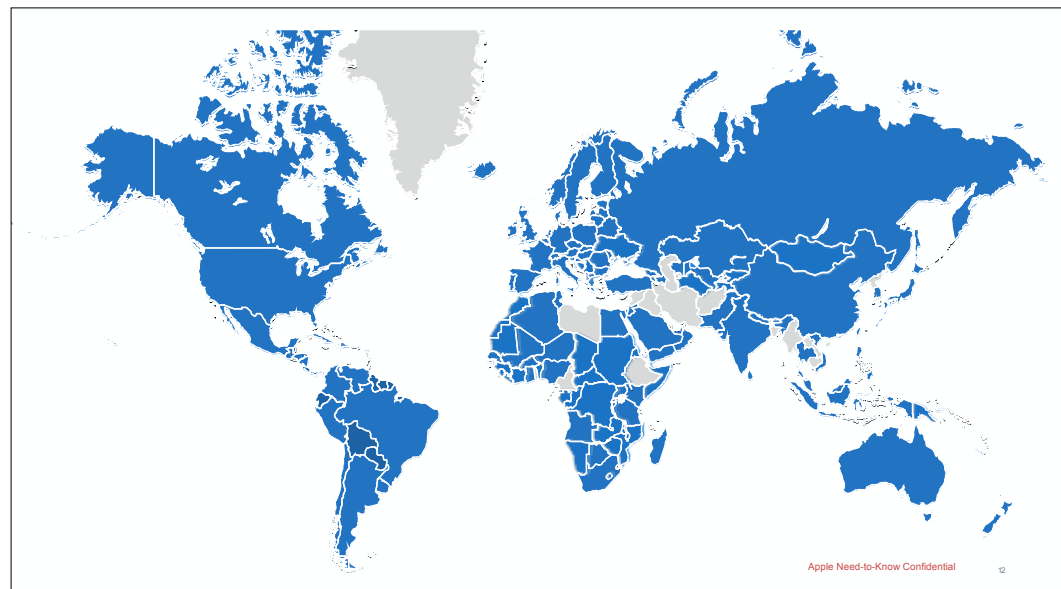
# 100M

iPads sold

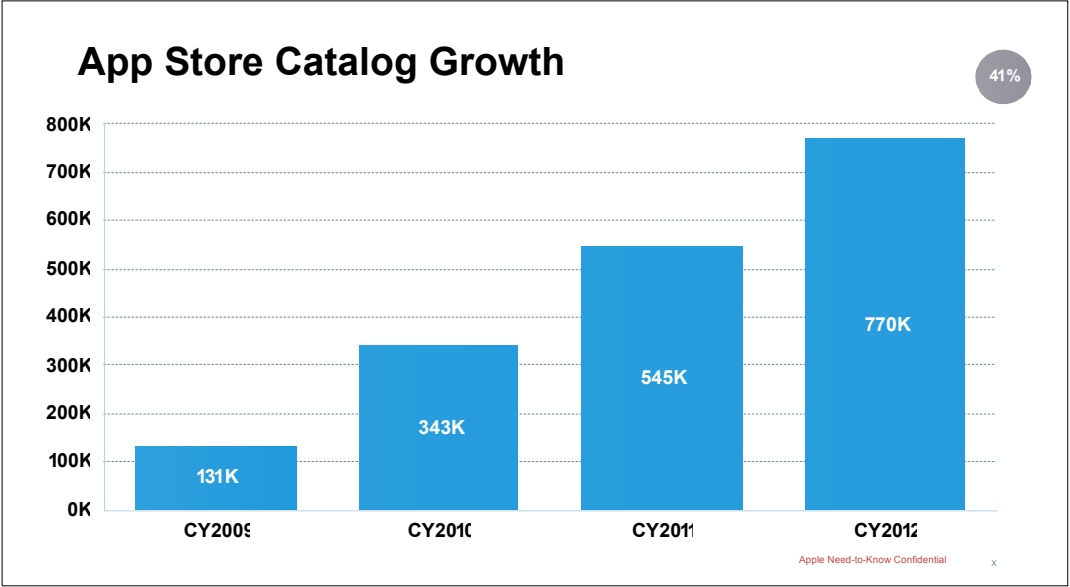
\*Source: Apple.

Apple Need-to-Know Confidential

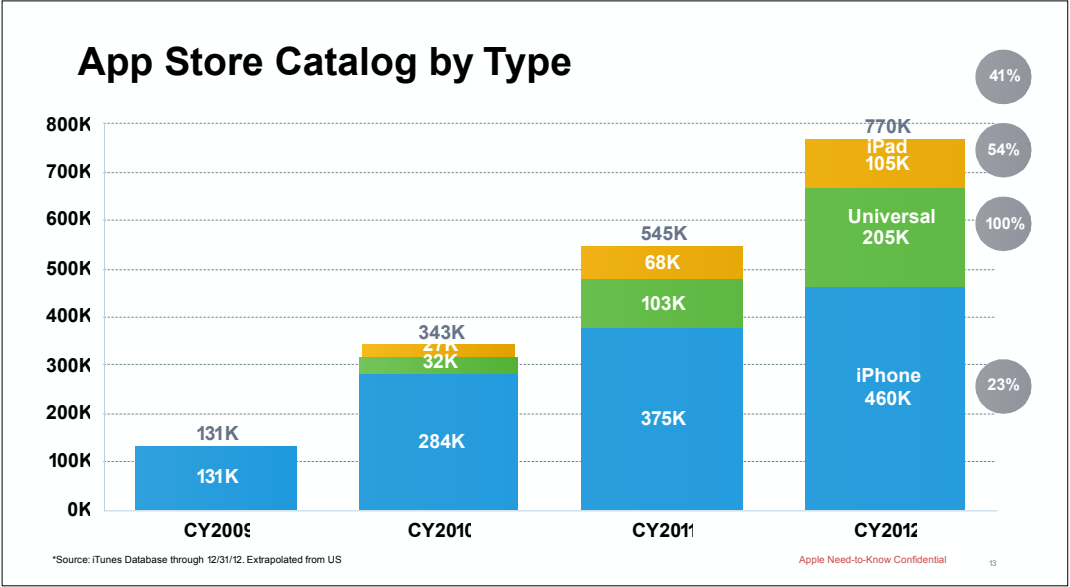
11



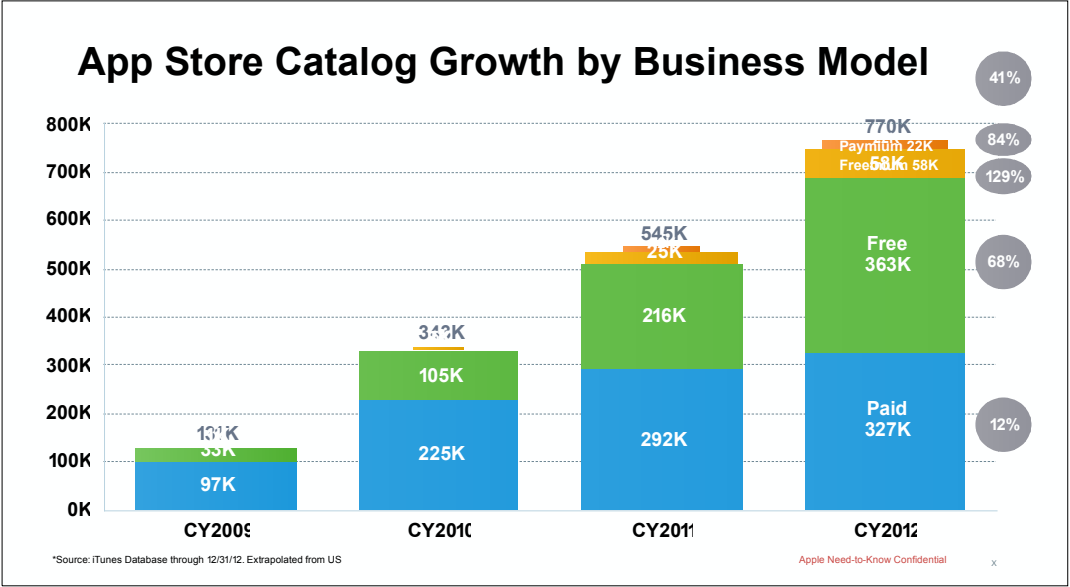
155 countries



CY2012 as of 1/10



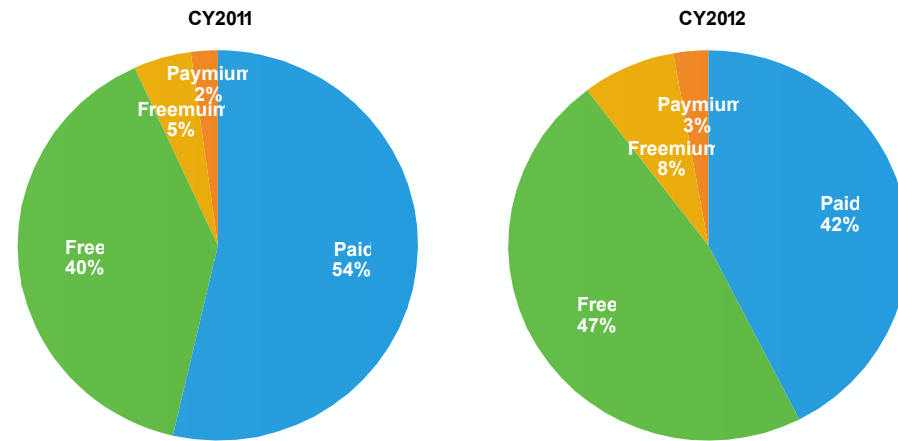
CY2012 as of 1/10



Lots more Freemium Apps



## App Store Catalog by Business Model



Note: US Catalog

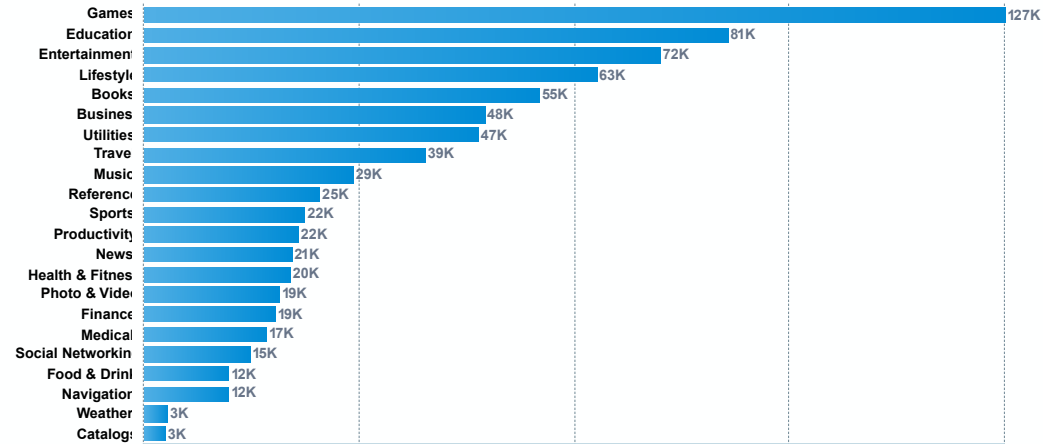
Apple Need-to-Know Confidential

14

But still only 10% of the apps available

PX-2296.17

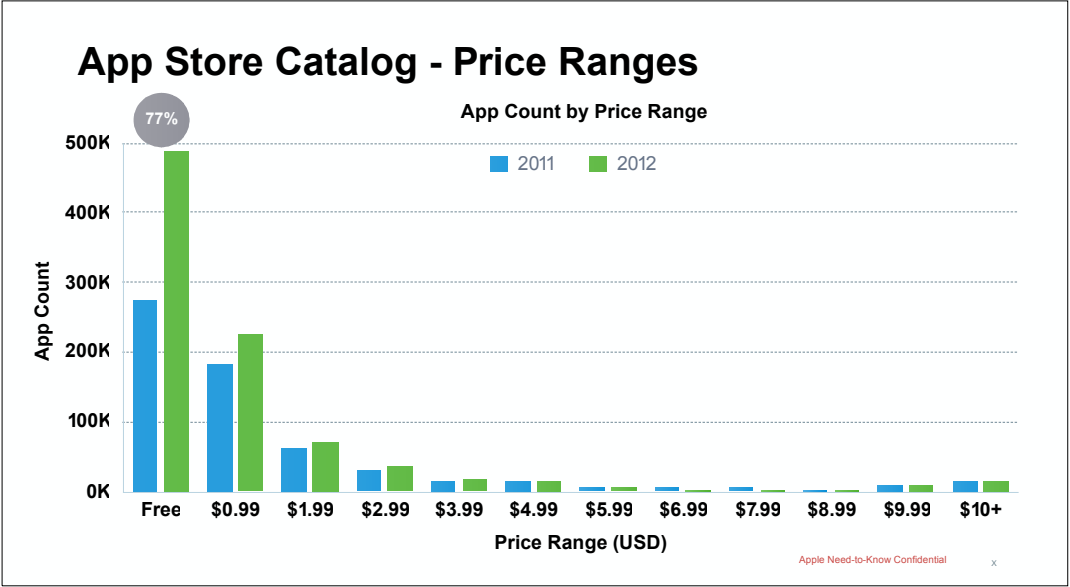
## App Store Catalog by Category



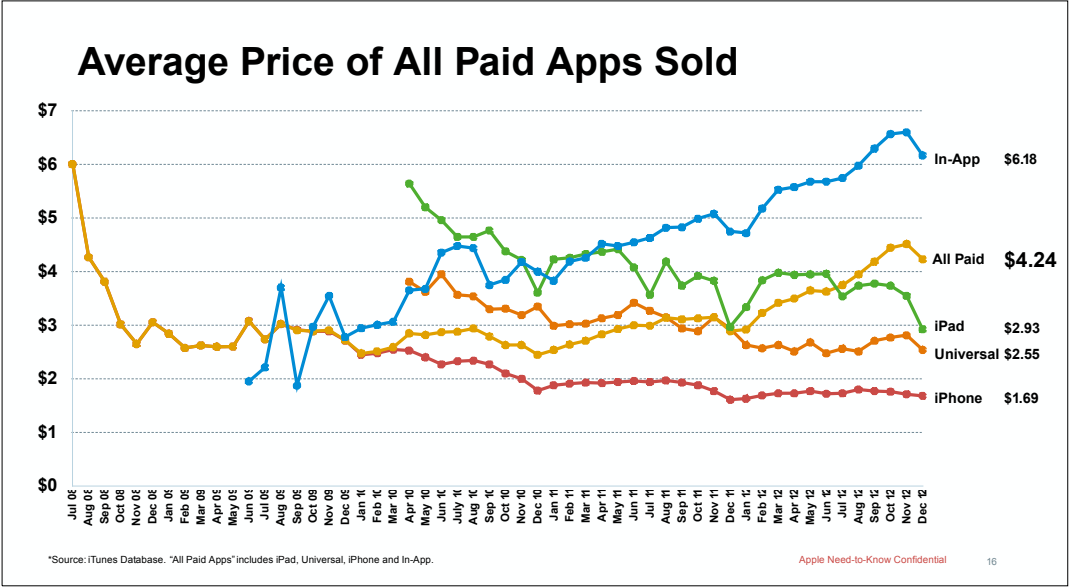
Note: Global Catalog as of 12/31/2012

Apple Need-to-Know Confidential

15

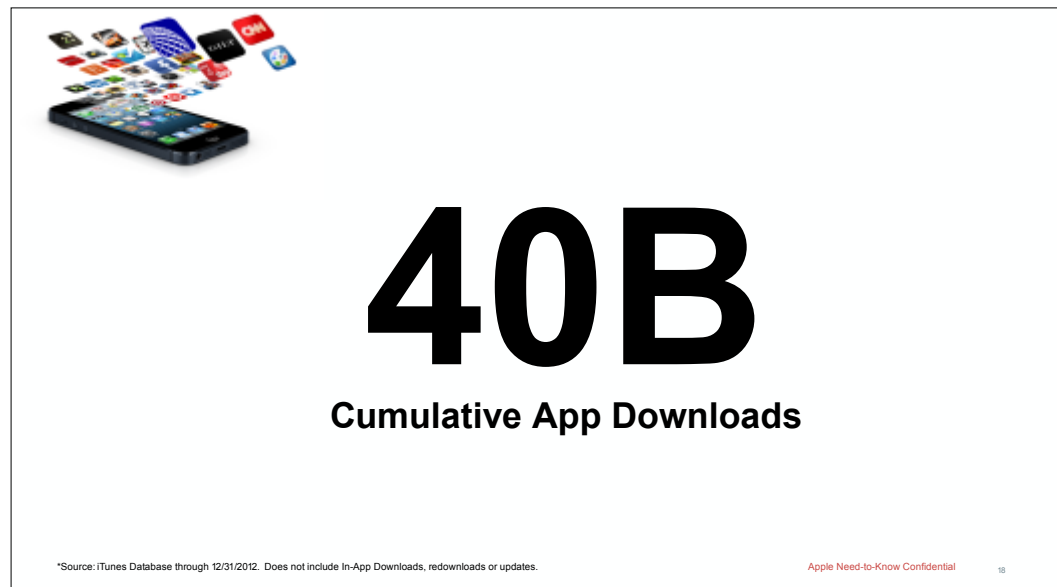


using ASP

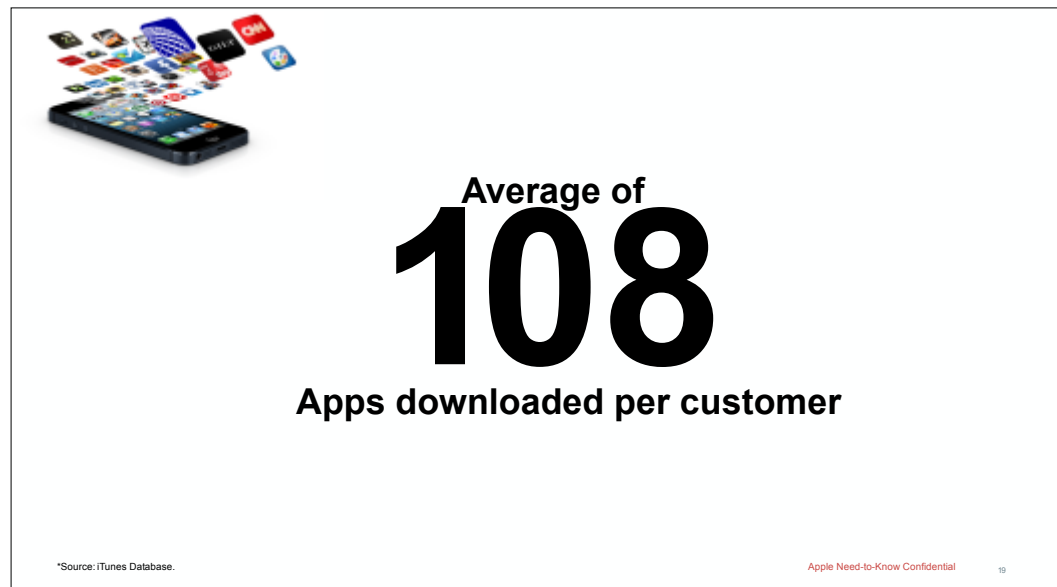


ASP up for all content types. ASP for In-Apps surpassed \$6

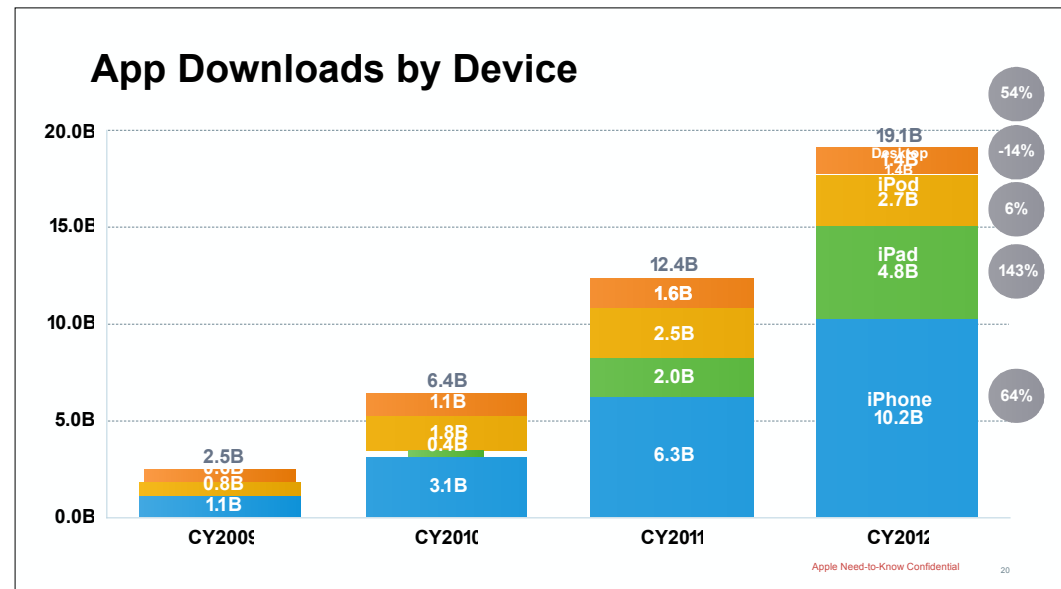
## Downloads and Billings



Will cross 42B Friday

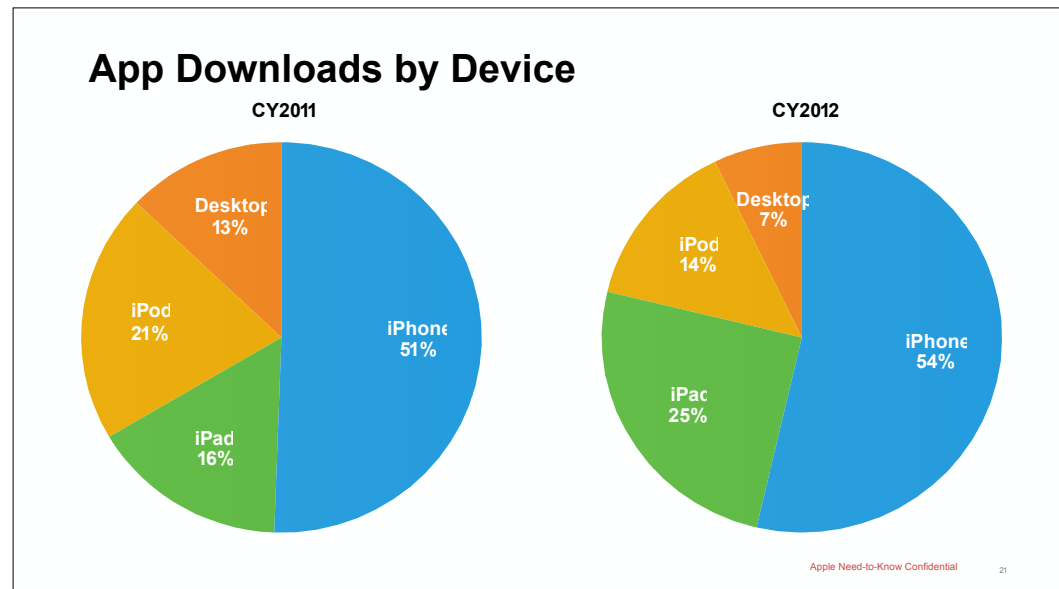


40.3B / 375M

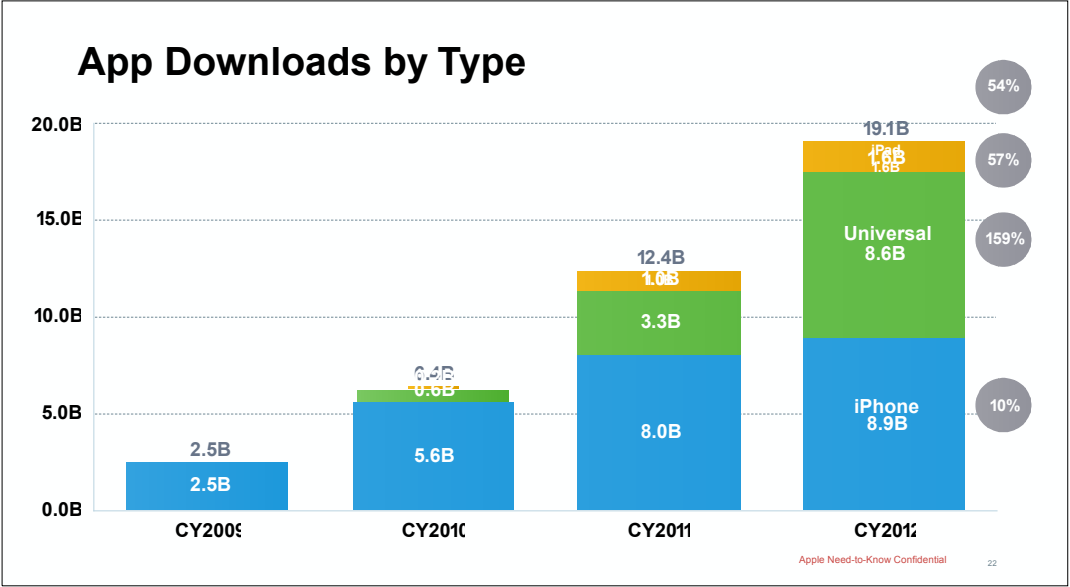


Notable Y/Y growth in iPad  
Desktop declines



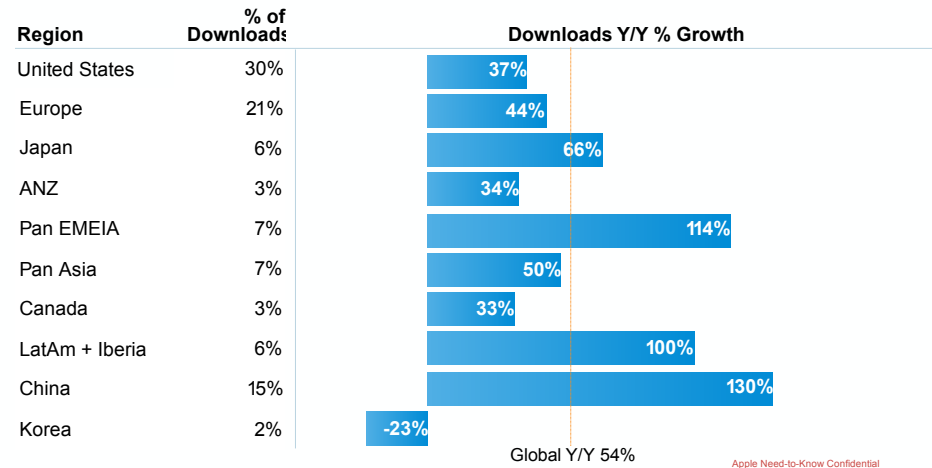


Notable growth in iPad share; iPod and Desktop decline



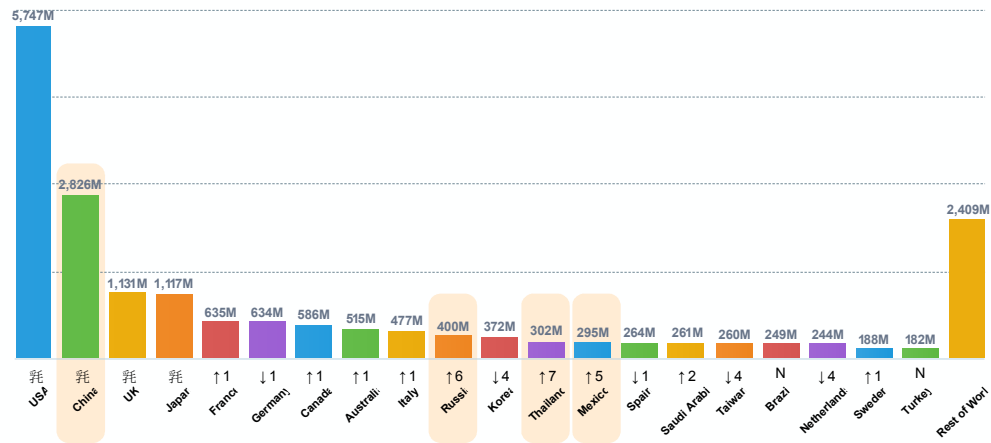
Note Universal growth

## App Download Growth by Region - CY2012



23

## Top 20 Countries - CY2012 Downloads



\*Source: iTunes Database. Includes iPad, Universal, iPhone and Downloads.

Apple Need-to-Know Confidential

X



# \$10B

**Cumulative App Billings**

\*Source: iTunes Database through 12/31/2012. Includes iPad, Universal, iPhone and In-App.

Apple Need-to-Know Confidential

24



# \$7B

**Paid to Developers**

\*Source: iTunes Database through 12/31/2012. Includes iPad, Universal, iPhone and In-App.

Apple Need-to-Know Confidential

25



# \$5.2B

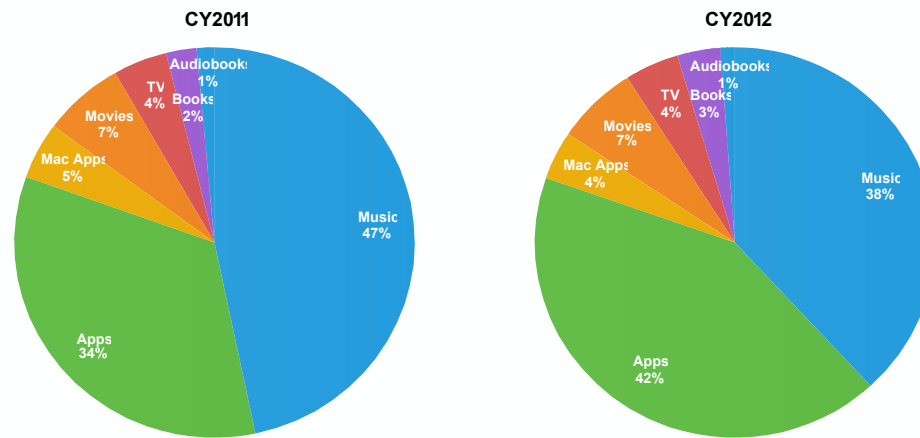
**CY2012 App Billings**

\*Source: iTunes Database through 12/31/2012. Includes iPad, Universal, iPhone and In-App.

Apple Need-to-Know Confidential

20

## Billings by Media Type - CY2011 vs CY2012

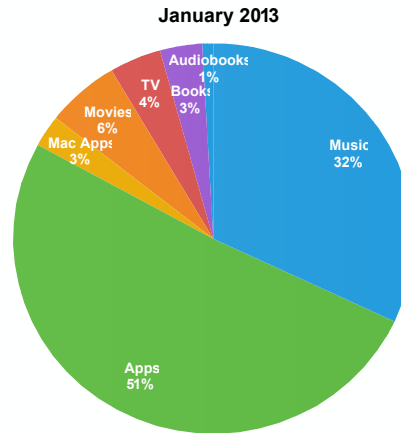


Apple Need-to-Know Confidential

27



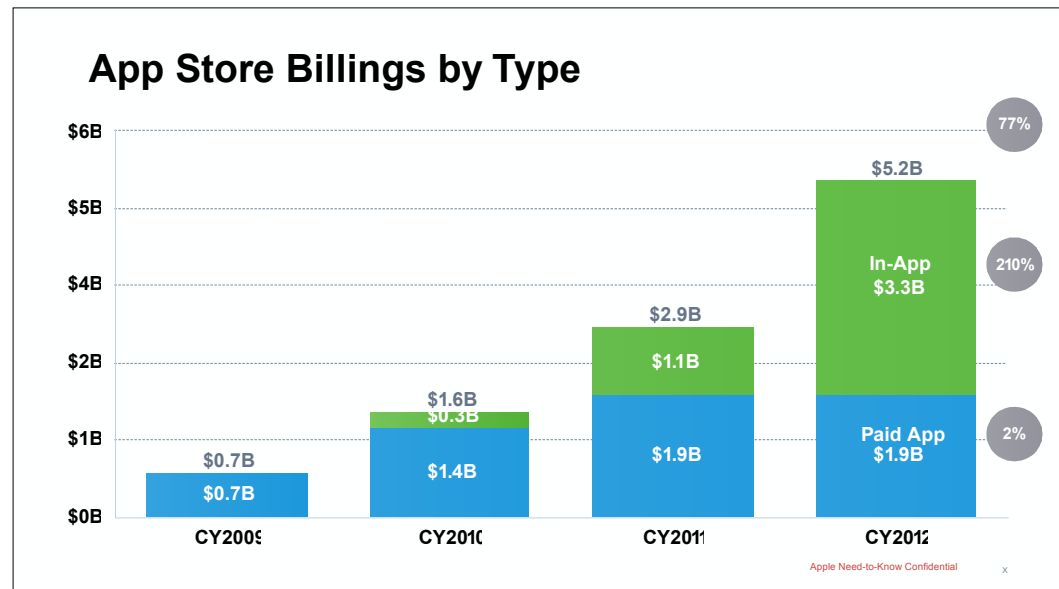
## Billings by Media Type - January 2013

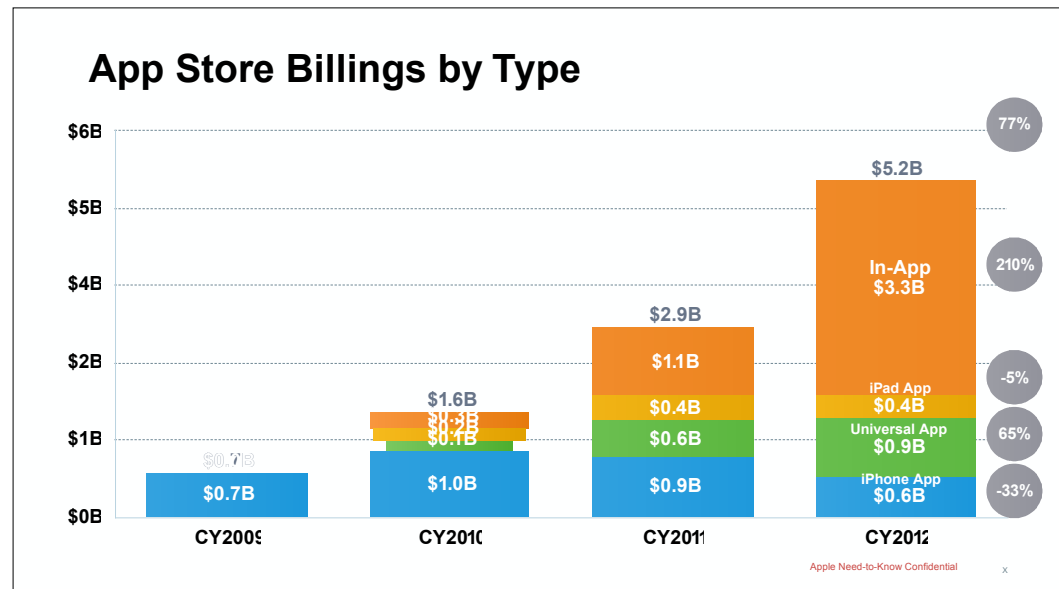


Apple Need-to-Know Confidential

28

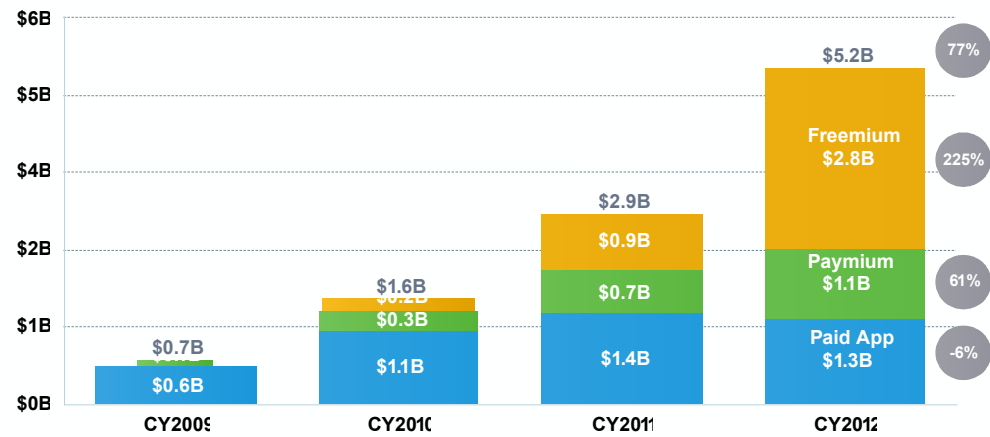
PX-2296.33

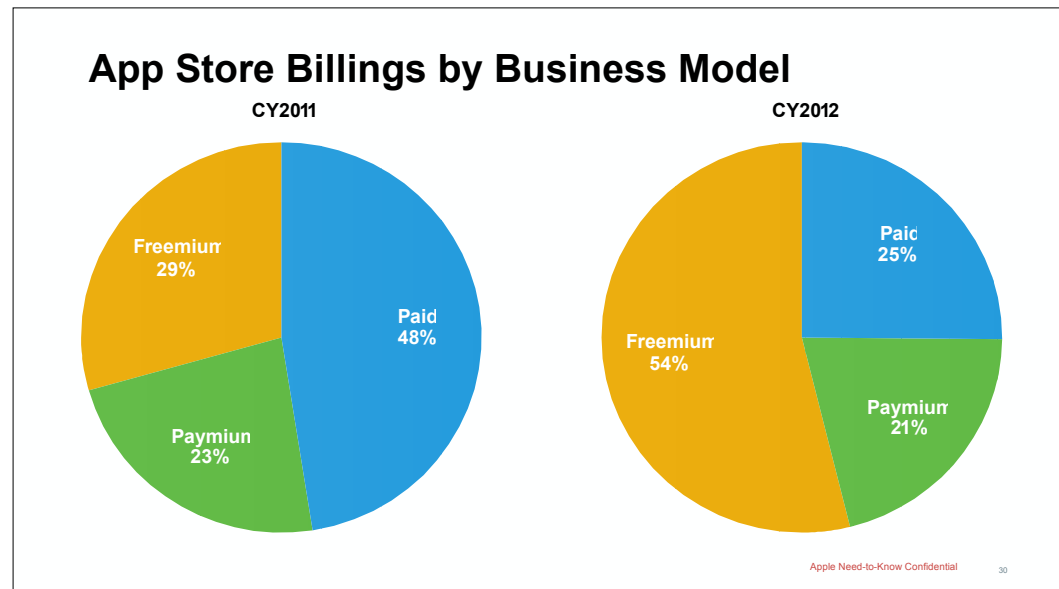




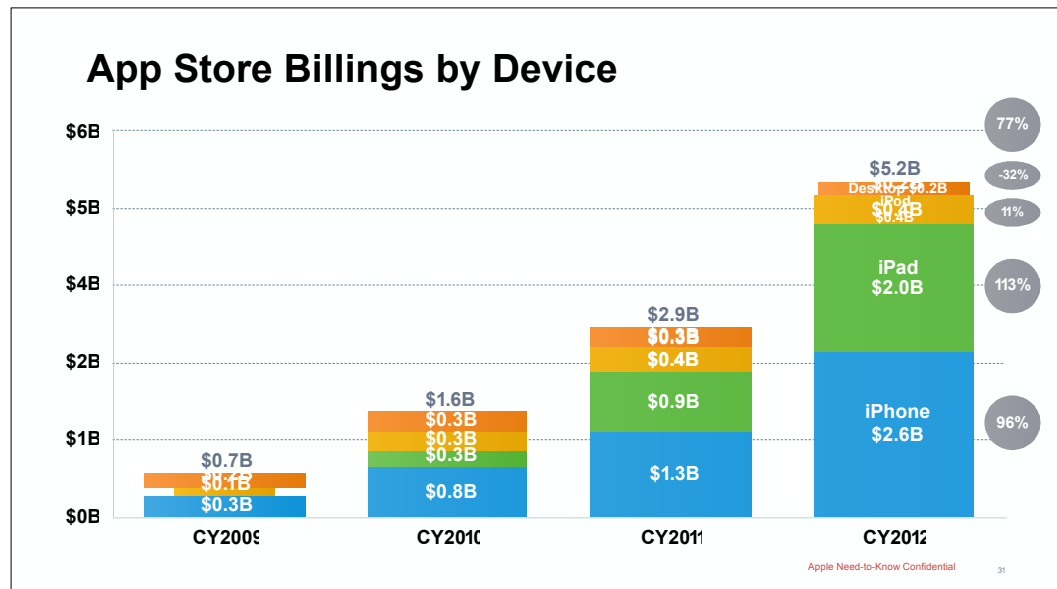
Universal apps essentially equal to iPhone and iPad combined.  
 38% of In App Billings from iPad, 54% from iPhone

## App Store Billings by Business Model

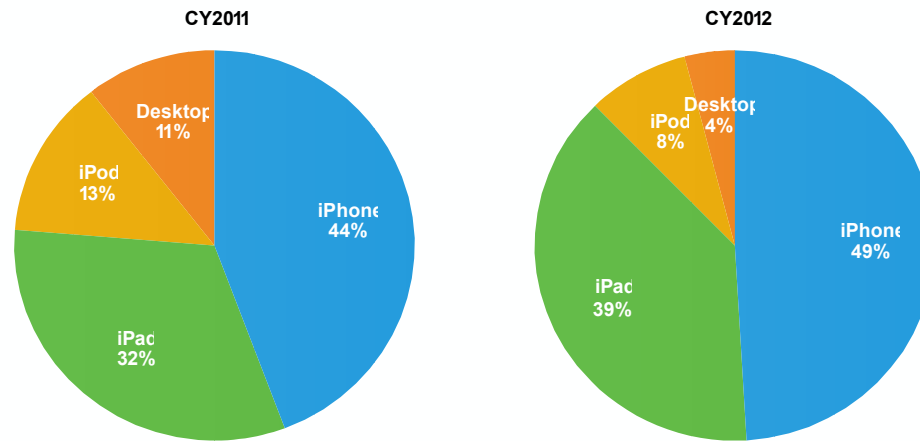




Big shift in growth of Billings generated by apps with In App...



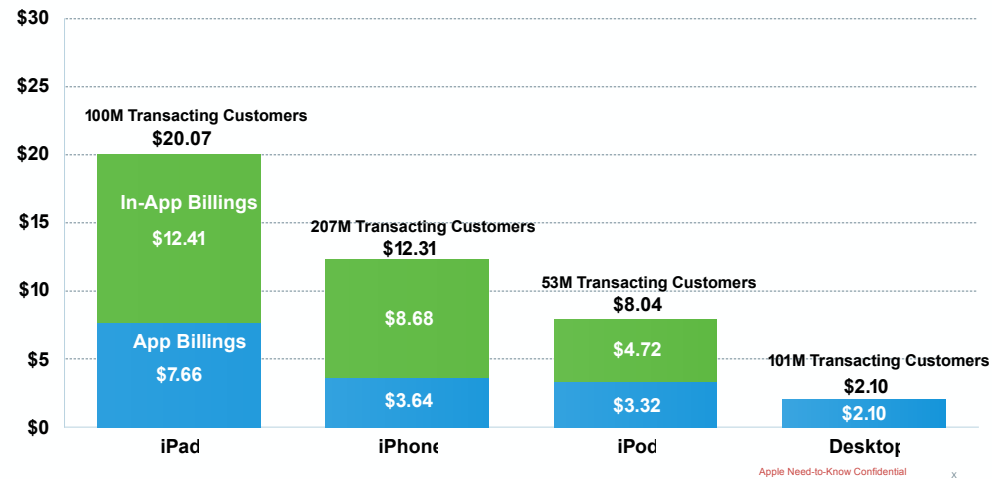
## App Store Billings by Device - CY2011 vs CY2012



Apple Need-to-Know Confidential

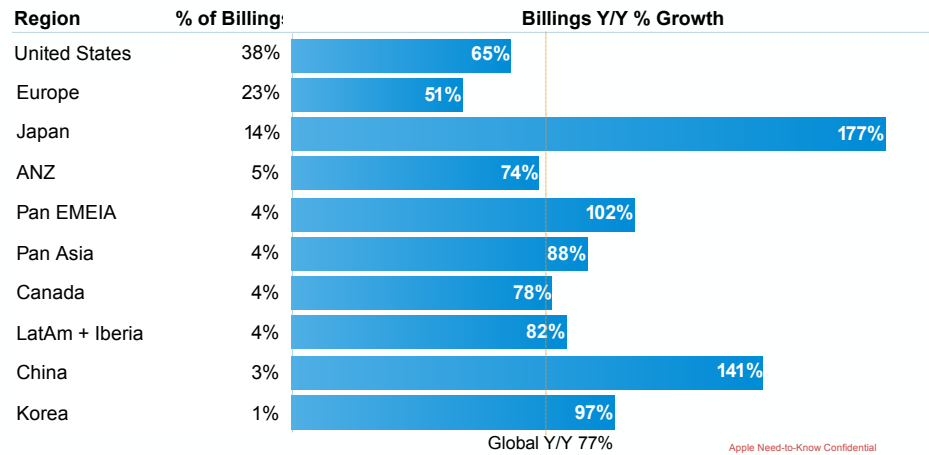
32

## App Store Billings by Device - CY2012



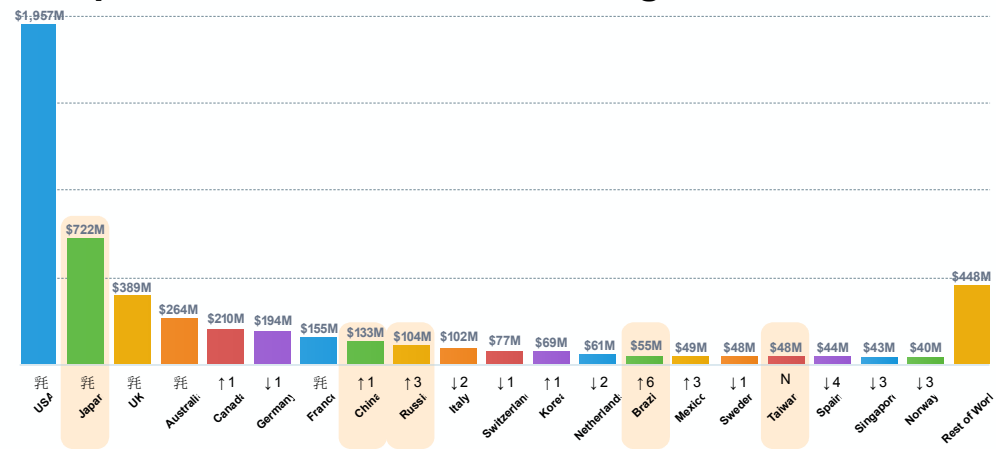


## App Store Billings by Region - CY2012



KR declined in downloads, but billing up almost 100% Y/Y

## Top 20 Countries - CY2012 Billings



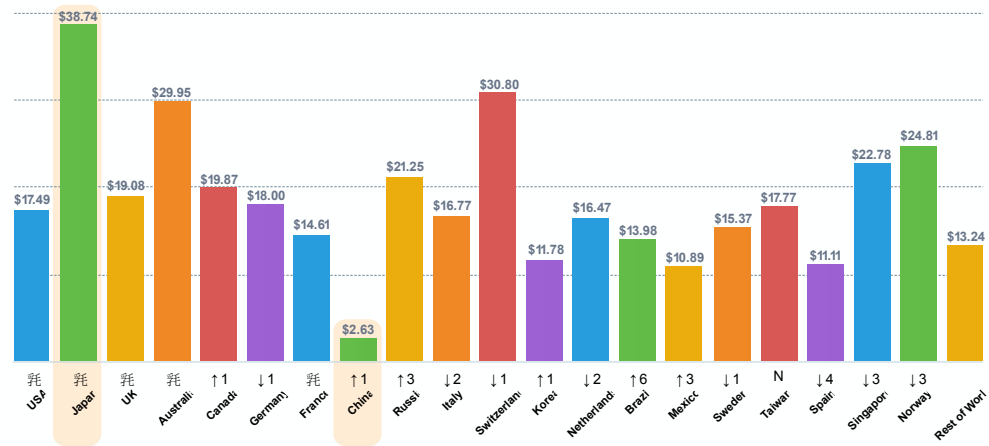
\*Source: iTunes Database. Includes iPad, Universal, iPhone and In-App Billings.

Apple Need-to-Know Confidential

34

PX-2296.42

## Top 20 Countries - CY2012 ARPU



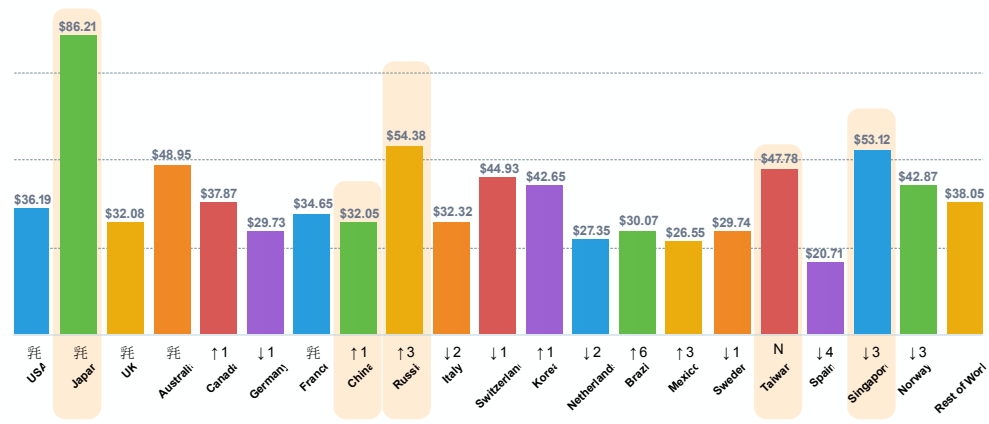
\*Source: iTunes Database. Includes iPad, Universal, iPhone and In-App Billings.

Apple Need-to-Know Confidential

35

PX-2296.43

## Top 20 Countries - CY2012 ARPPU

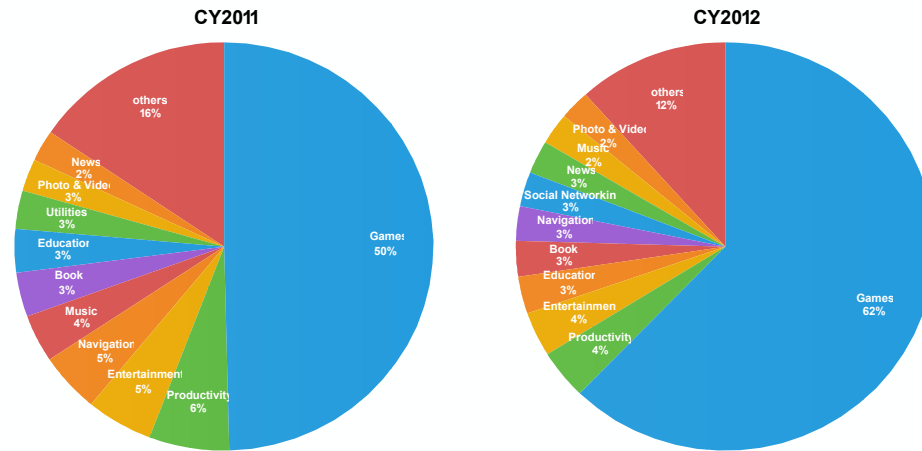


Apple Need-to-Know Confidential

36

PX-2296.44

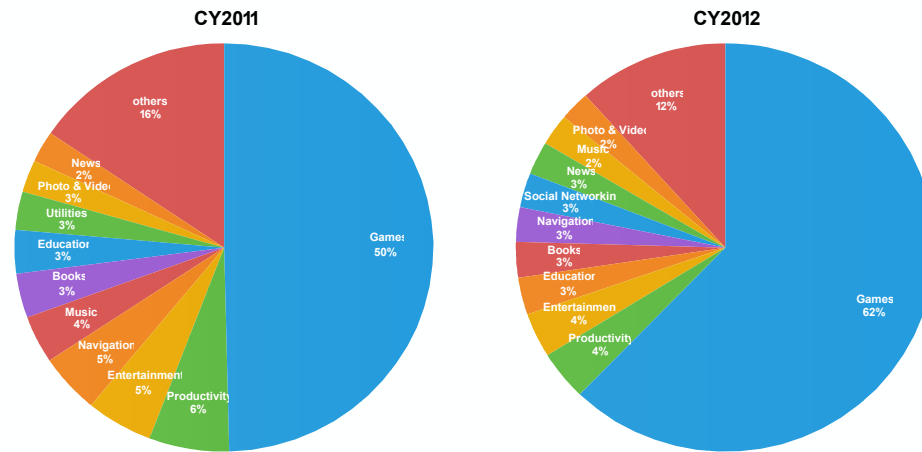
## Top Categories - Share of Billings



Apple Need-to-Know Confidential x

Games is marching towards 2/3 of the business  
Social Networking is new to the top 10 at #7

## Top Categories - Share of Billings

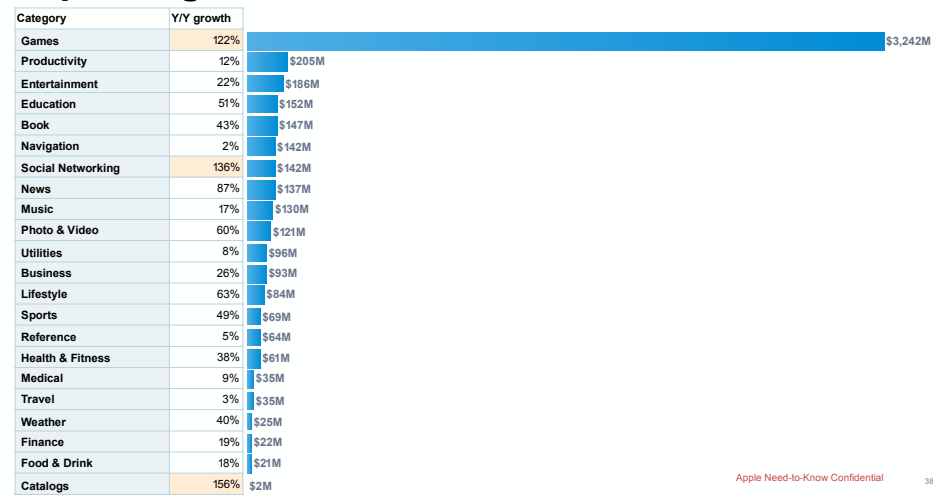


Apple Need-to-Know Confidential

37

Games is marching towards 2/3 of the business  
Social Networking is new to the top 10 at #7

## Top Categories - CY2012



3 genres grew more than 2x

## Top Downloaded Apps - CY2012

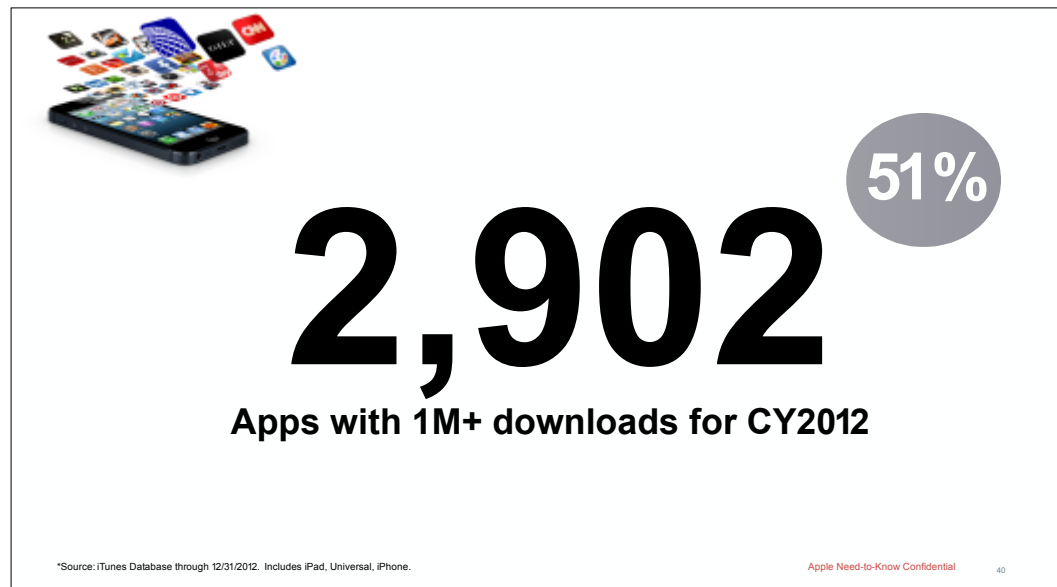
Rank	App	CY2012 Free Downloads
1	<span>N</span> YouTube (Google)	93M
2	<span>N</span> Temple Run (Imangi Studios)	78M
3	<span>↓ 2</span> Facebook (Facebook)	78M
4	<span>↑ 5</span> Instagram (Burbn)	71M
5	<span>N</span> Draw Something Free (OMGPOP)	60M
6	<span>N</span> Find My iPhone (Apple)	59M
7	<span>↓ 5</span> iBooks (Apple)	58M
8	<span>N</span> iTunes U (Apple)	55M
9	<span>N</span> Podcasts (Apple)	48M
10	<span>N</span> Find My Friends (Apple)	44M

\*N\* indicates an app new to the Top 10 list for CY2012

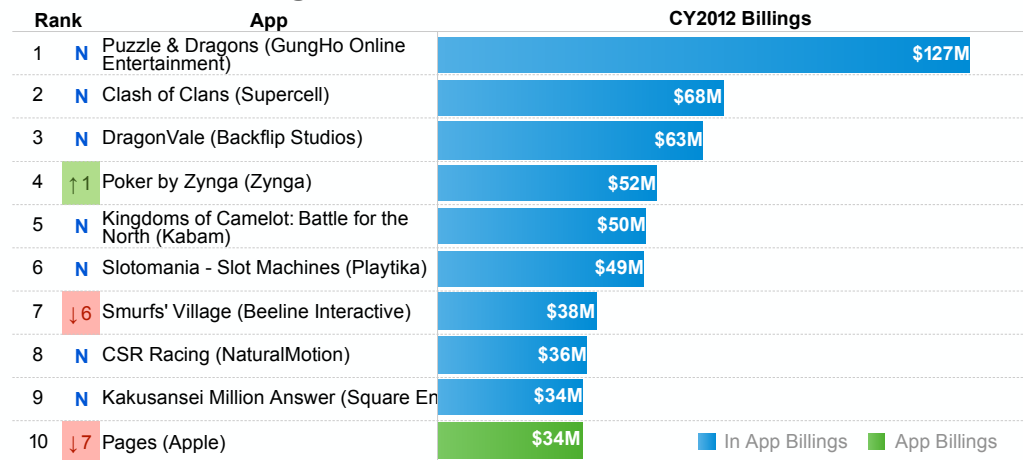
Apple Need-to-Know Confidential

39





## Top Grossing Apps - CY2012



\*N\* indicates an app new to the Top 10 list for CY2012

Apple Need-to-Know Confidential

41



# 707

75%

**Apps with more than \$1M billings for CY2012**

\*Source: iTunes Database through 12/31/2012. Includes iPad, Universal, iPhone and In-App.

Apple Need-to-Know Confidential

42

## Top Grossing Developers - CY2012

Rank	Developer	% y/y	Gross Billings
1	耗 Electronic Arts	65%	\$167M
2	N Gungho Online Entertainment	NA	\$130M
3	耗 Gameloft	65%	\$117M
4	↓2 Apple	36%	\$110M
5	N Supercell Oy	NA	\$102M
6	↑1 Zynga	171%	\$100M
7	N Playtika	NA	\$68M
8	N Backflip Studios	322%	\$66M
9	↓3 TeamLava	37%	\$63M
10	N Kabam	NA	\$58M

\*N\* indicates an developer new to the Top 10 list for CY2012

Apple Need-to-Know Confidential

43



# 590

52%

**Developers with more than \$1M billings for CY2012**

\*Source: iTunes Database through 12/31/2012. Includes iPad, Universal, iPhone and In-App.

Apple Need-to-Know Confidential

44

PX-2296.53



# 3,544

26%

**Developers with more than \$100K billings for CY2012**

\*Source: iTunes Database through 12/31/2012. Includes iPad, Universal, iPhone and In-App.

Apple Need-to-Know Confidential

45

PX-2296.54

**Customers**



# 375M

**Cumulative Transacting Customers**

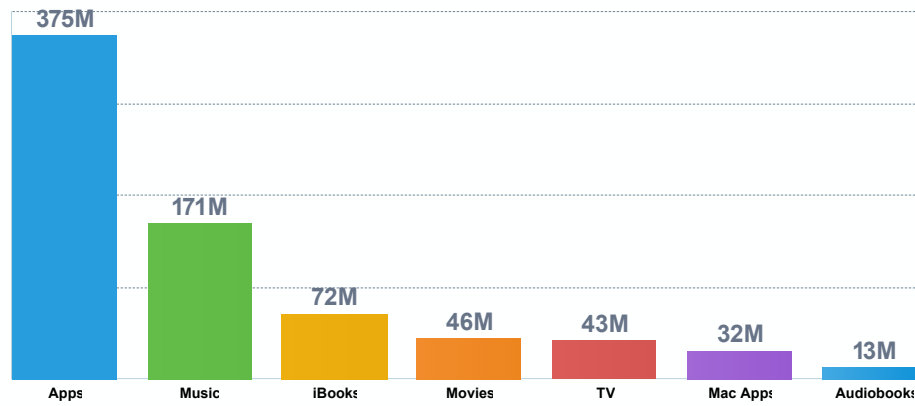
\*Source: iTunes Database through 12/31/2012. Includes iPad, Universal, iPhone and In-App.

Apple Need-to-Know Confidential

47



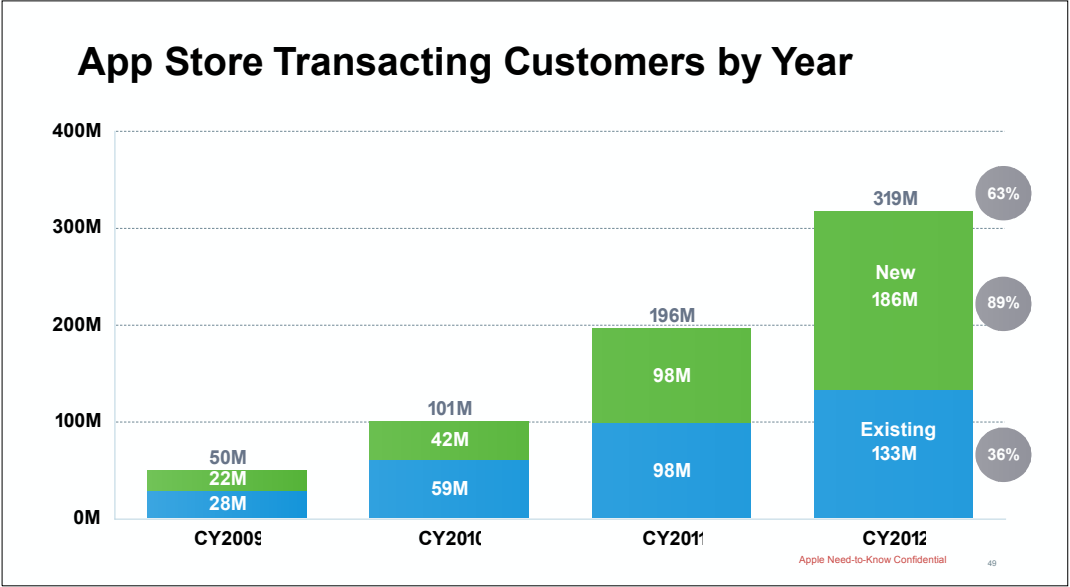
## Cumulative Customers by Media Type



\*Source: iTunes Database through 12/31/12.

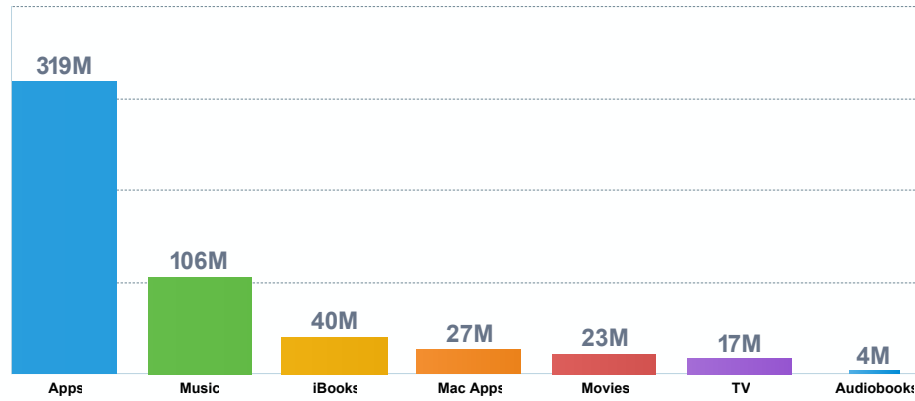
Apple Need-to-Know Confidential

48



New vs Existing

## Transacting Customers by Media Type - CY2012



\*Source: iTunes Database through 12/31/12. App customers excluding redownload/update only customers

Apple Need-to-Know Confidential

50

Apps customer count excludes customers who only downloaded an update or redownload



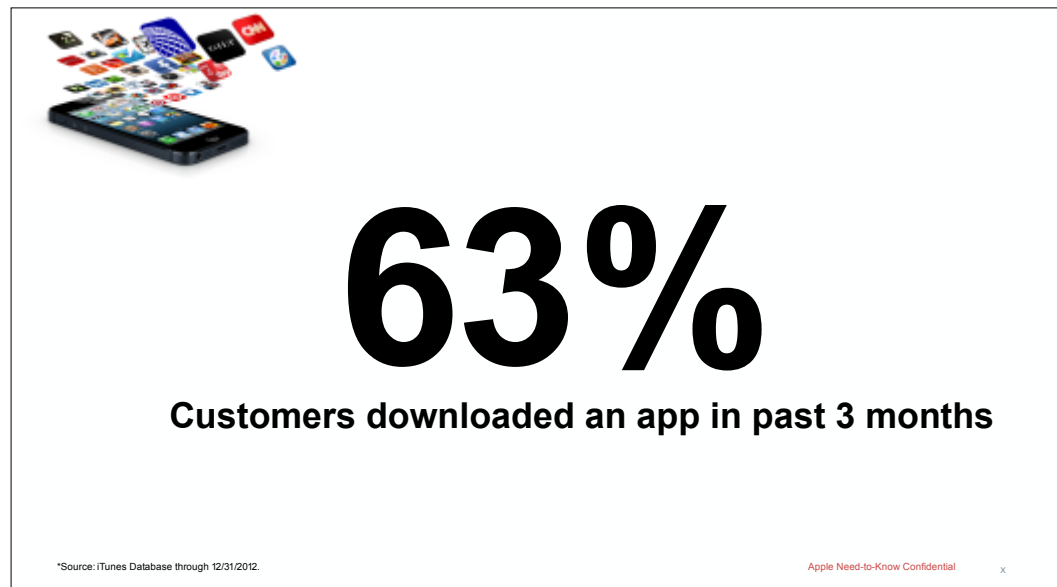
# 85%

**Customers downloaded an app in CY2012**

\*Source: iTunes Database through 12/31/2012.

Apple Need-to-Know Confidential

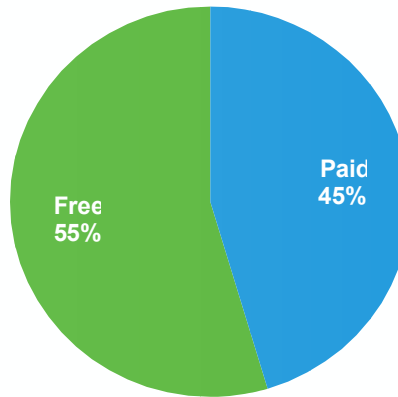
51



Last three months: 236M

## Free vs Paid Customers to Date

375M Cumulative App Store Customers

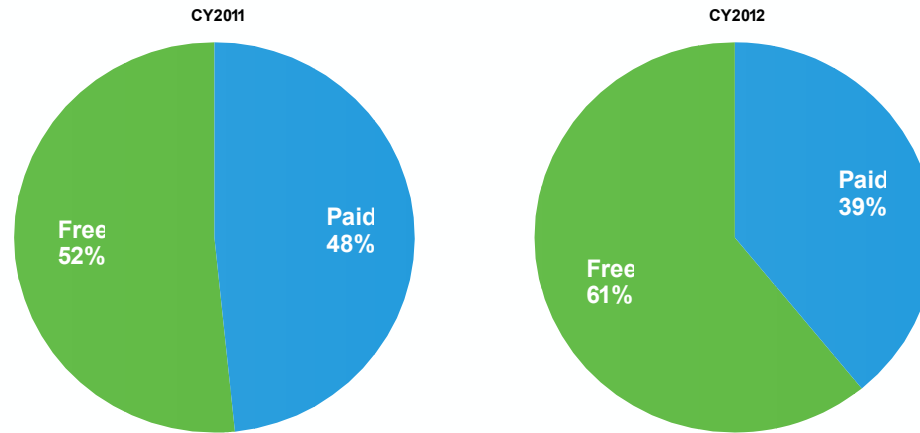


Apple Need-to-Know Confidential

62

PX-2296.62

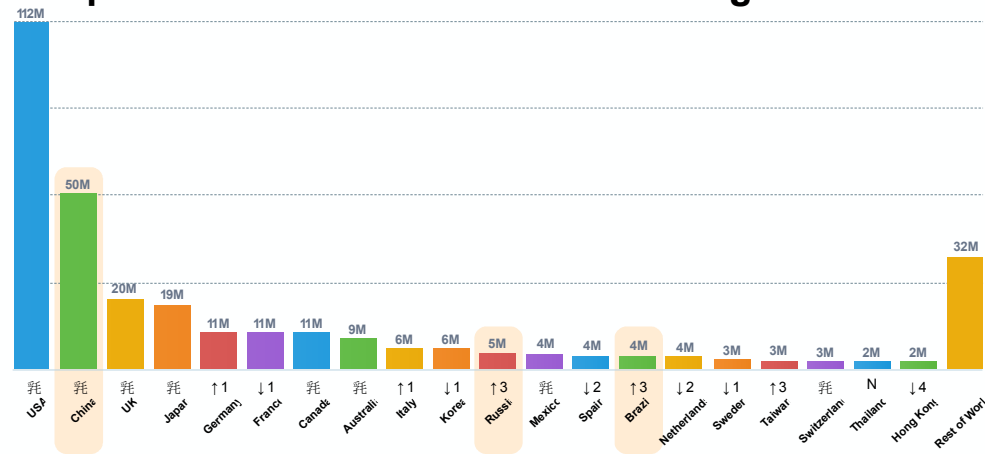
## Free vs Paid Customers by Year



Apple Need-to-Know Confidential

53

## Top 20 Countries - CY2012 Transacting Customers



\*Source: iTunes Database. Includes iPad, Universal, iPhone and In-App Billings.

Apple Need-to-Know Confidential

X



## CY2012 Trends

**In-App Purchase**

PX-2296.66



# 80K

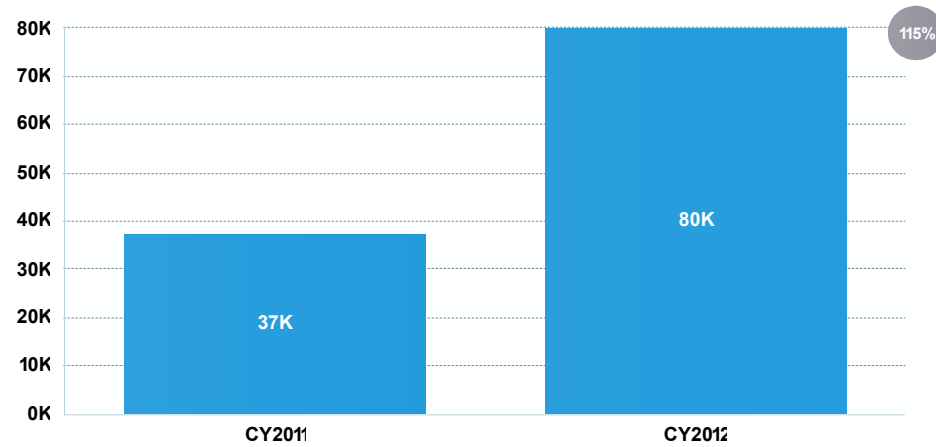
**Apps with In-App**

\*Source: iTunes Database through 12/31/2012.

Apple Need-to-Know Confidential

55

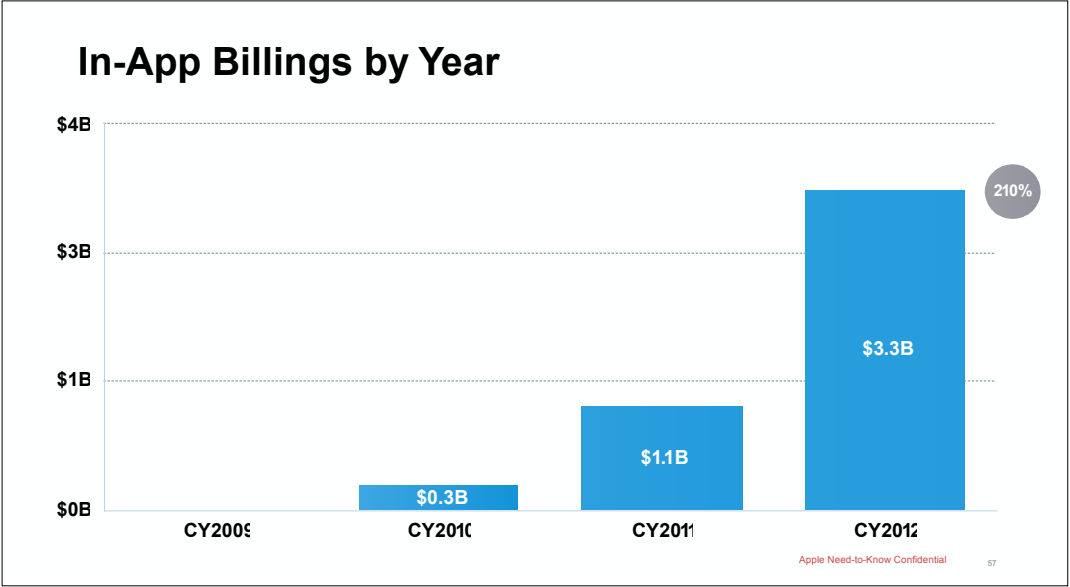
## App Store Catalog Growth - Apps with In-App

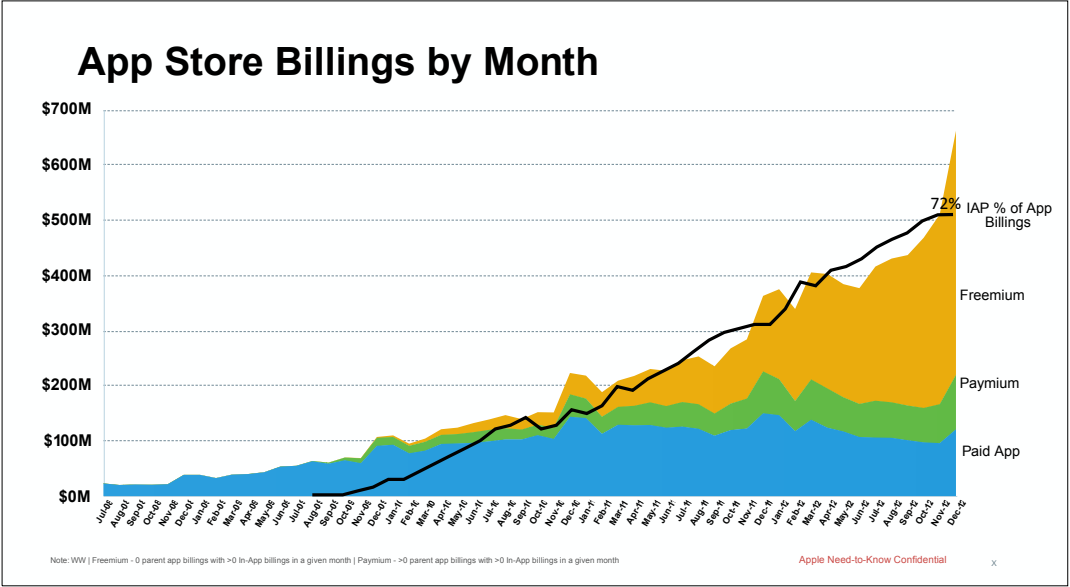


\*Source: iTunes Database through 12/31/2012.

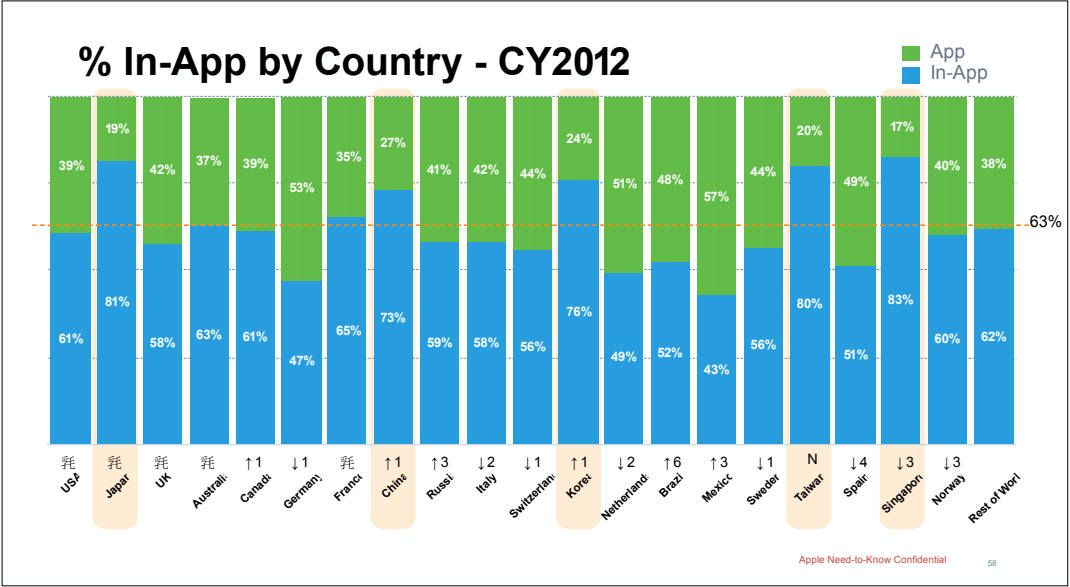
Apple Need-to-Know Confidential

56

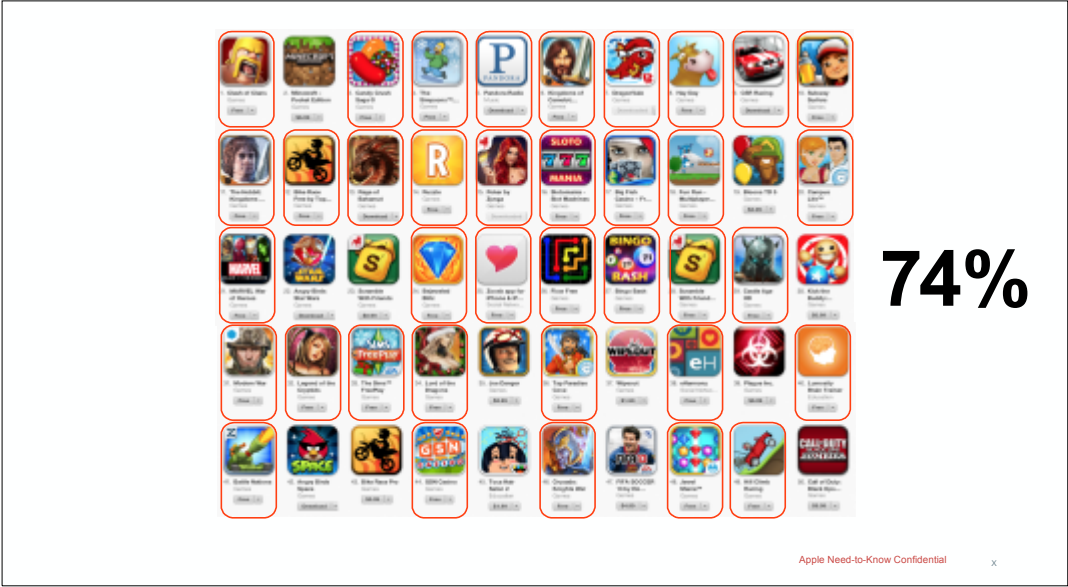




71% in October



Orange dotted line is Global IAP % for CY2012



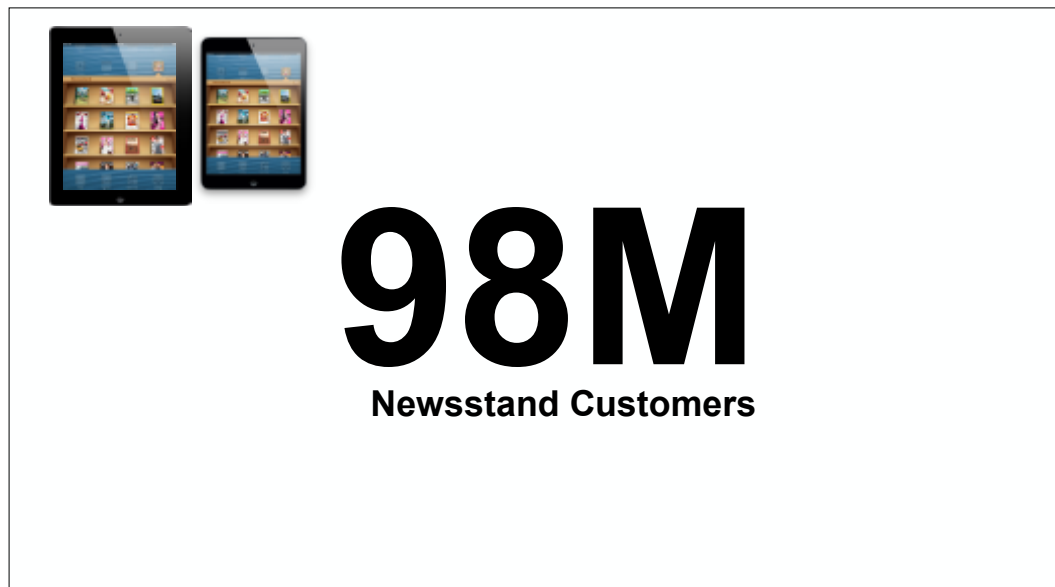
37 out of top 50 are freemium (screenshot as of 1/14/2013 - US Storefront)



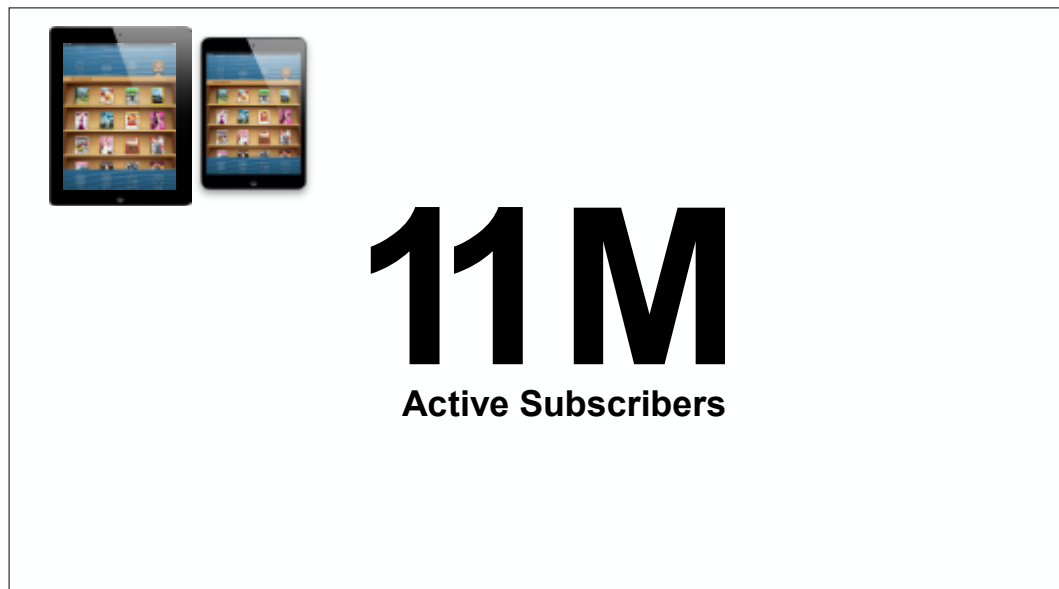
## Subscriptions

Can't talk about iap without talking subs

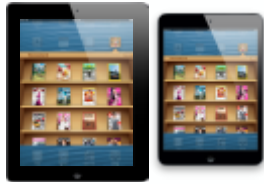
**Newsstand**



Customer who has ever downloaded a Newsstand app after the app has become Newsstand enabled



Actual is 10.9, adding 200k every week

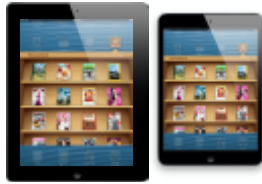


# 5.8M

**Paid Newsstand Customers**

5,756,811

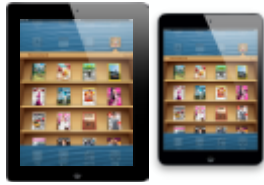
PX-2296.77



# 3.5M

**Single Issue Purchasers**

5.6M total paid - 2.1M subscribers = 3.5 Single issue purchasers



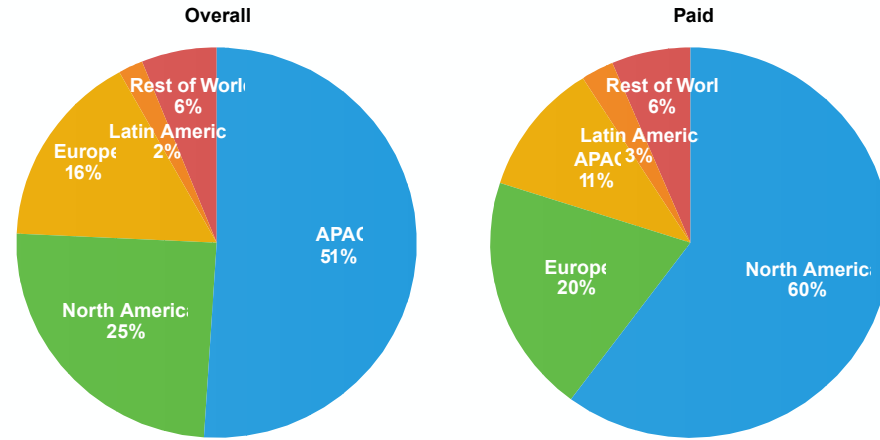
# 2.3M

**Paid Subscribers**

Paid, recurring subscriptions

PX-2296.79

## Newsstand Subscribers by Region



Apple Need-to-Know Confidential X

**Overall includes Free and Paid (large number of free subs in China)**

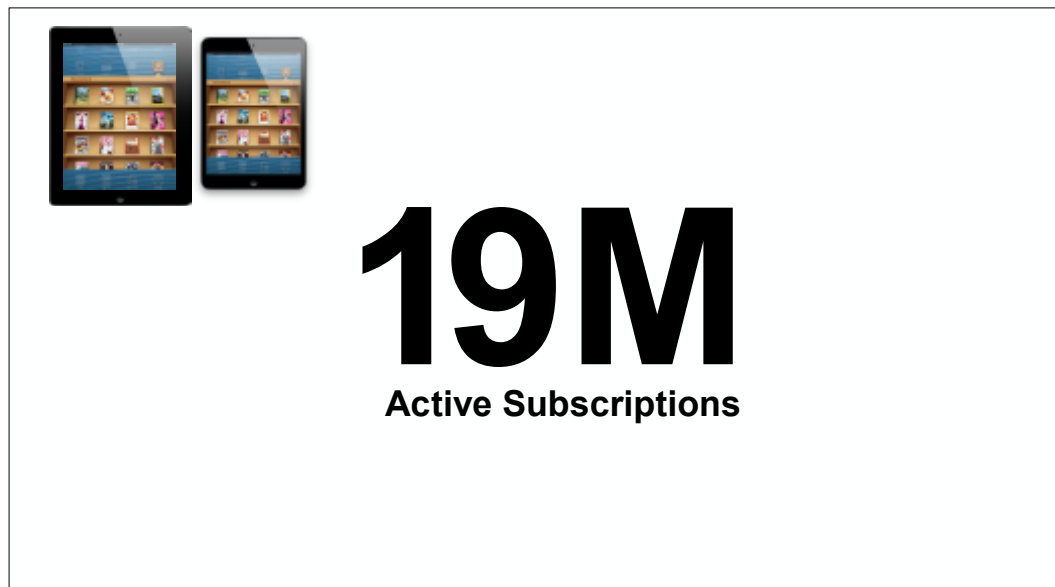
Americas: US and Canada

APAC: Australia, China, Japan, Korea, New Zealand

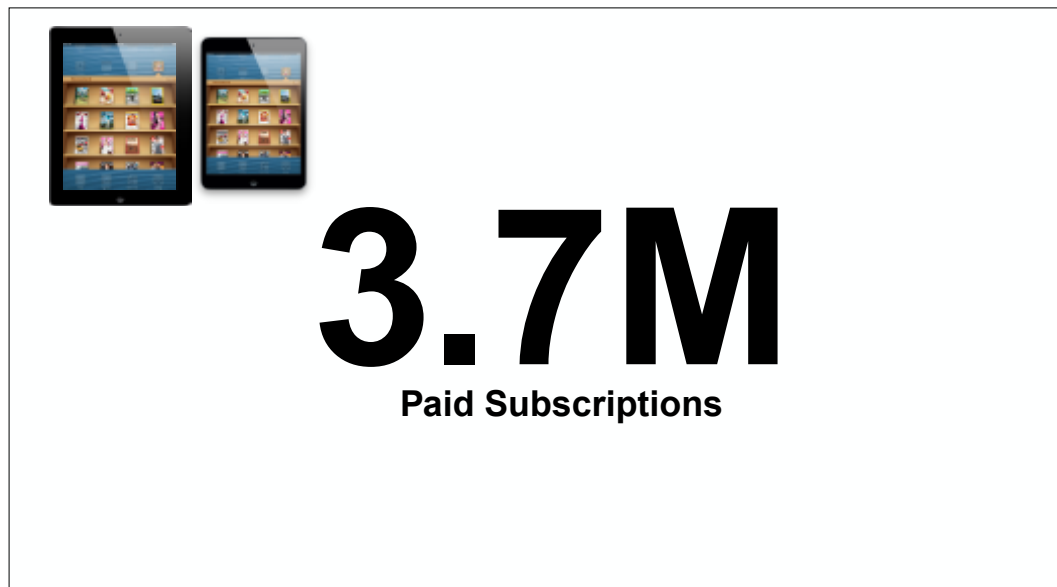
Europe: United Kingdom, Germany, Italy, France, Norway, Switzerland, Sweden, Netherlands, Spain, Belgium, Ireland, Denmark, Poland, Portugal, Finland, Austria, Czech Republic, Greece, Slovakia, Luxembourg, Romania, Hungary, Estonia, Slovenia, Malta, Cyprus, Latvia, Bulgaria, Lithuania, Ukraine, Albania

LATAM: Mexico, Brazil, Colombia, Chile, Argentina, Peru, Ecuador, Costa Rica, Guatemala, Panama, Venezuela, Dominican Republic, Honduras, El Salvador, Paraguay, Nicaragua, Bolivia



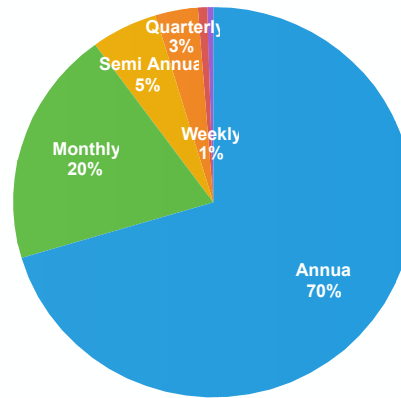


11M subscribers have 19M active subscriptions



2.3M Paid Subs have 3.7M subscriptions

## Newsstand Subscriptions by Duration



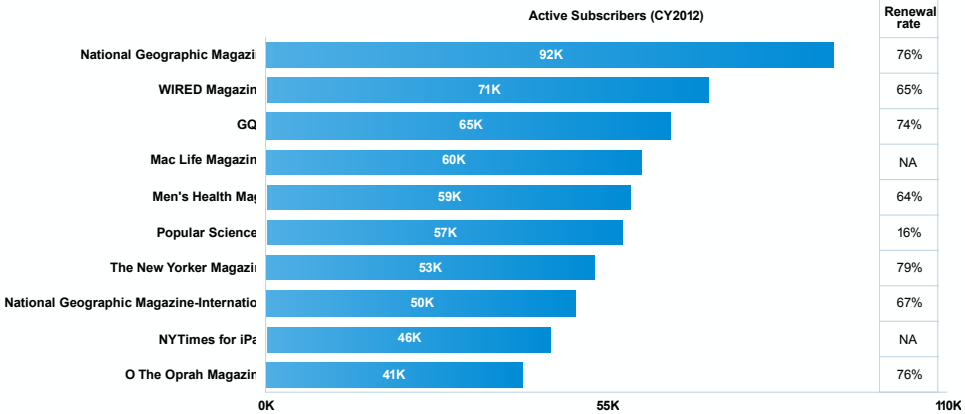
Apple Need-to-Know Confidential X

Predominantly Monthly and Annual.



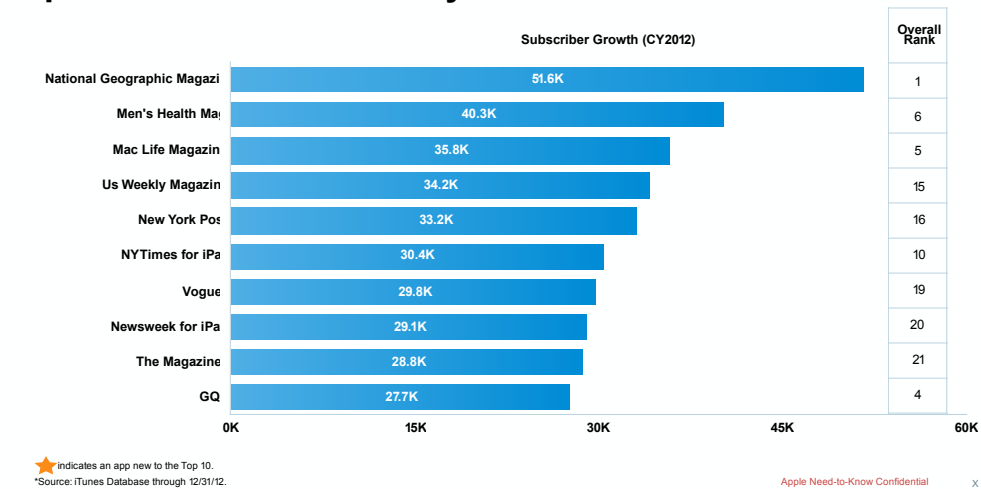
Actual 7,099  
Through 1/6/13.  
Apps with active subscriptions.

# Top 10 Active Newsstand Titles by # of Subscriptions



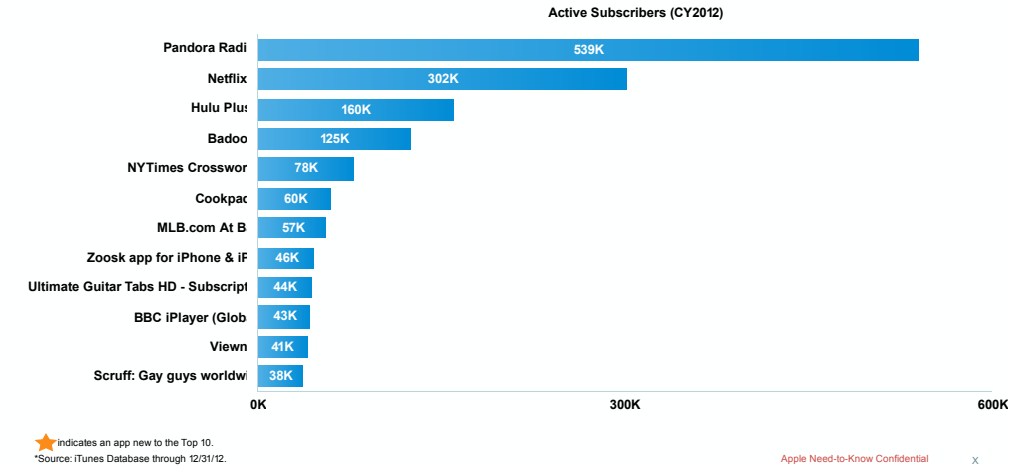
\*Source: iTunes Database through 12/31/12. Renewal rates for December annual subscribers

# Top 10 Newsstand Titles by Subscriber Growth

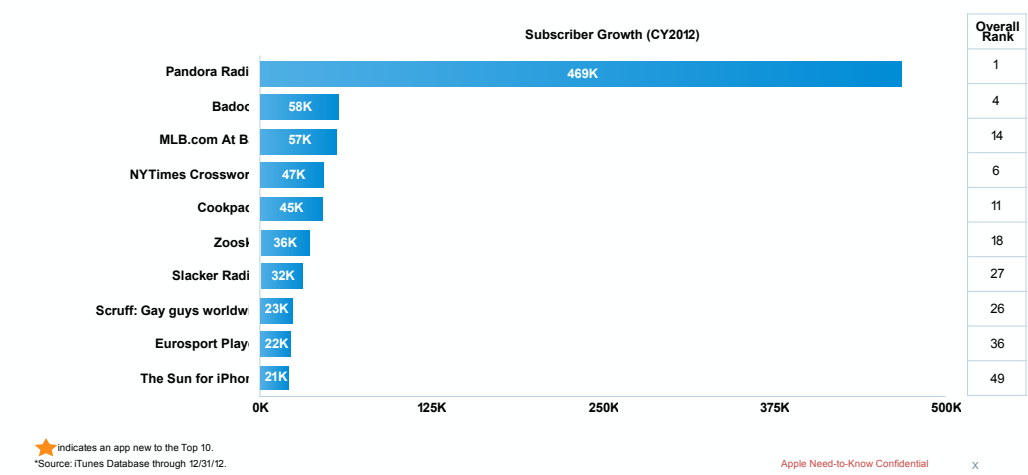


Comparing active subs as of 1/6/13 vs 1/1/12

Top 10 Active Non-Newsstand Titles by # of Subscriptions



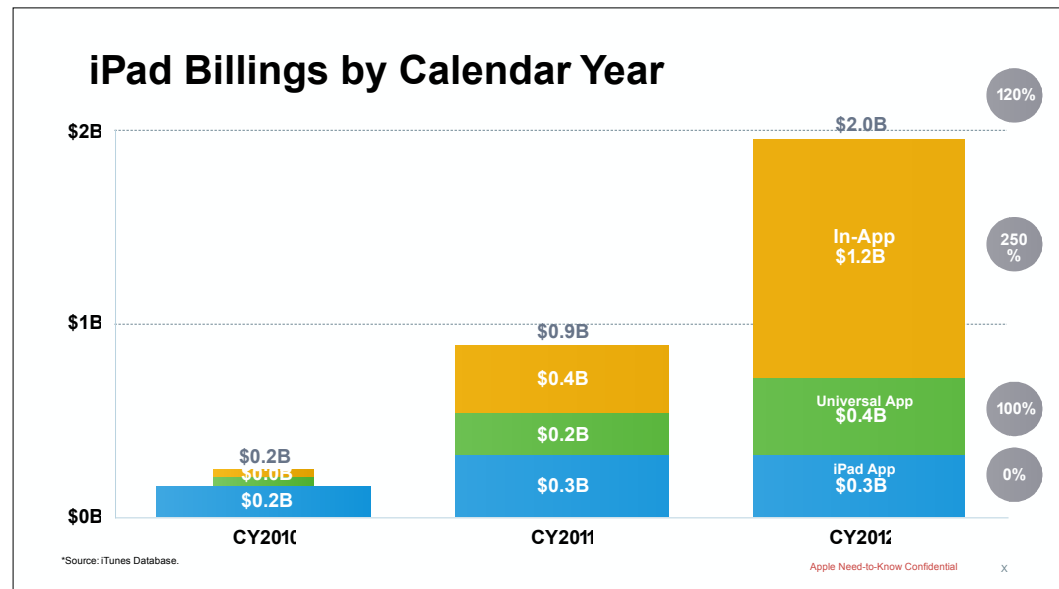
# Top 10 Non-Newsstand Titles by Subscriber Growth

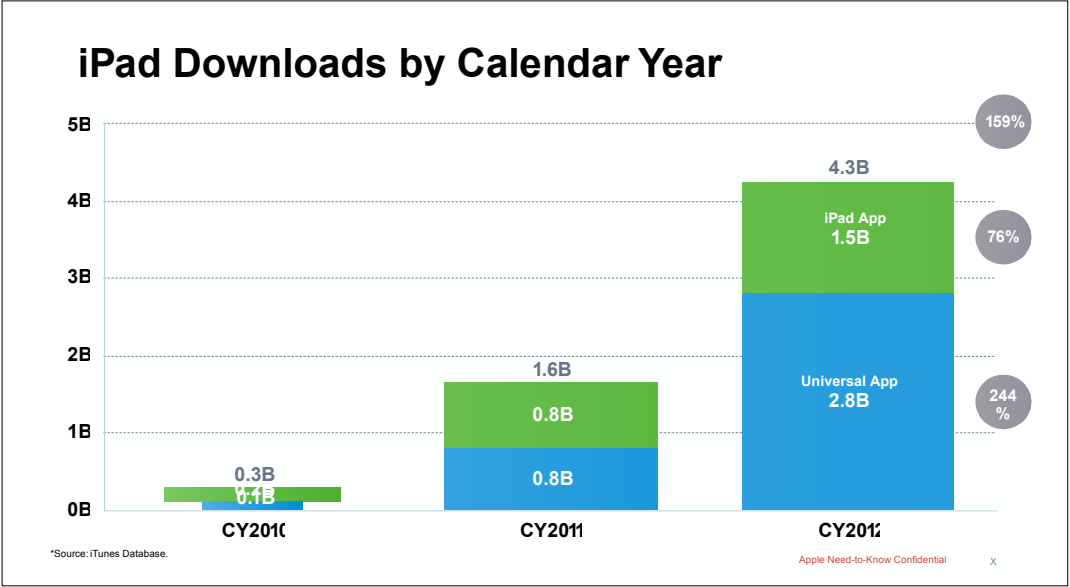


Comparing active subs as of 1/6/13 vs 1/1/12



**iPad Update**





up 7% month over month

## Top Free iPad Apps - CY2012

Rank		App	CY2012 Free Downloads
1	↑ 2	Skype for iPad (Skype)	23.3M
2	↓ 1	iBooks (Apple)	20.4M
3	N	iTunes U (Apple)	17.3M
4	↑ 6	Facebook (Facebook)	16.6M
5	N	Temple Run (Imangi Studios)	15.6M
6	↓ 1	Fruit Ninja HD Free (Halfbrick Studios)	13.7M
7	N	Podcasts (Apple)	13.0M
8	N	Find My iPhone (Apple)	12.6M
9	↓ 7	Angry Birds HD Free (Rovio)	12.5M
10	N	Find My Friends (Apple)	10.6M

\*N\* indicates an app new to the Top 10 list for CY2012

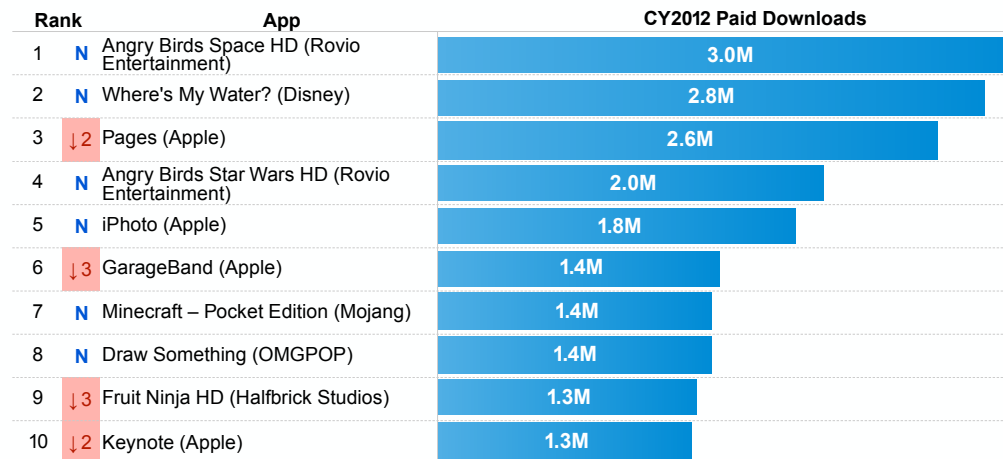
Apple Need-to-Know Confidential

x

iPad apps + Universal apps downloaded on an iPad

PX-2296.92

## Top Paid iPad Apps - CY2012



Apple Need-to-Know Confidential x

iPad apps + Universal apps downloaded on an iPad

## Top Grossing iPad Apps - CY2012

Rank	App	Gross Billings
1	<b>N</b> Clash of Clans (Supercell)	\$31M
2	↓ 1 Pages (Apple)	\$25M
3	<b>N</b> DragonVale (Backflip Studios)	\$24M
4	<b>N</b> Slotomania HD - Slot Machines (Playtika)	\$19M
5	↓ 3 Smurfs' Village (Beeline Interactive)	\$18M
6	<b>N</b> Kingdoms of Camelot: Battle for the North (Kabam)	\$18M
7	<b>N</b> Hay Day (Supercell)	\$17M
8	<b>N</b> Comics (comiXology)	\$15M
9	↓ 3 Quickoffice Pro HD – edit office documents & view PDF files (Quickoffice)	\$15M
10	<b>N</b> Slotomania - Slot Machines (Playtika)	\$15M

\*N\* indicates an app new to the Top 10 list for CY2012

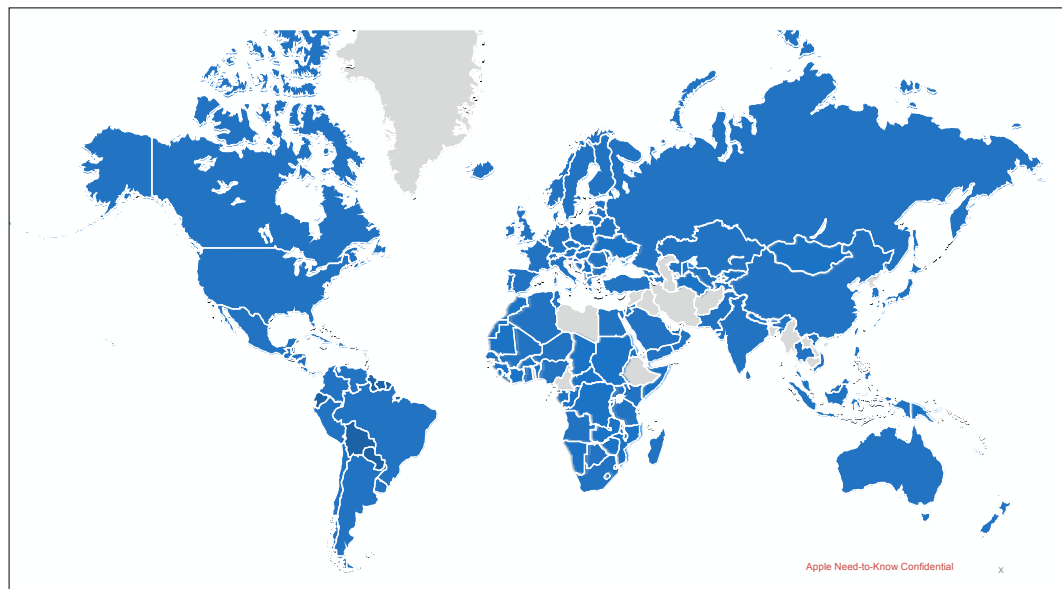
Apple Need-to-Know Confidential

x

Any billings on an ipad, including universal app, ipad app, in app and iphone app

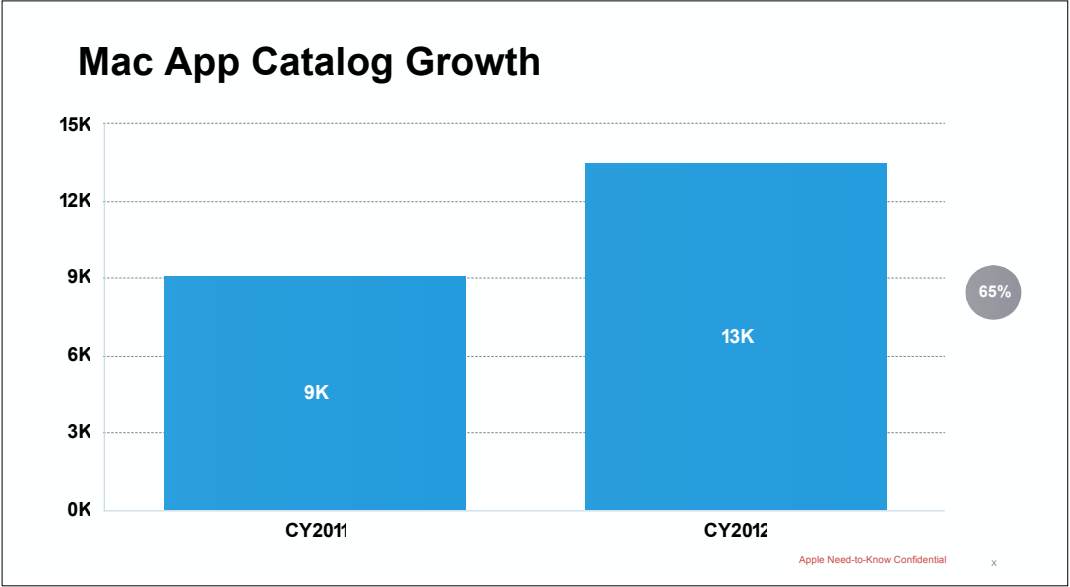
## CY2012 Mac App Store Update

PX-2296.95

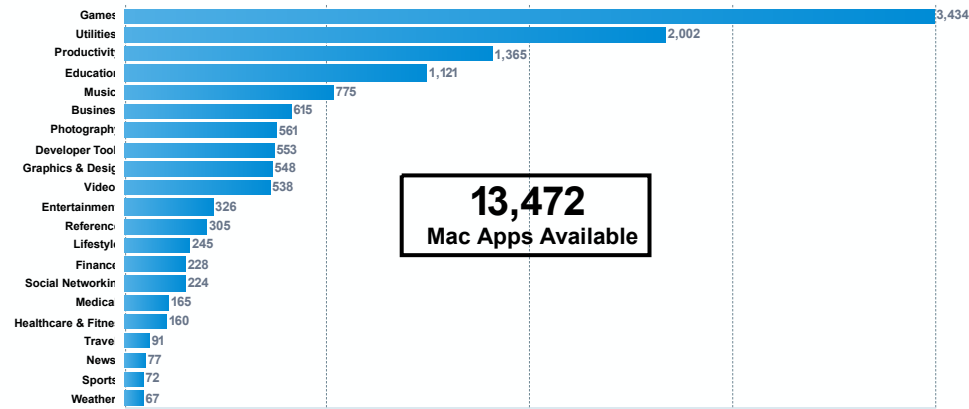


155 countries





## Mac App Catalog by Category - CY2012

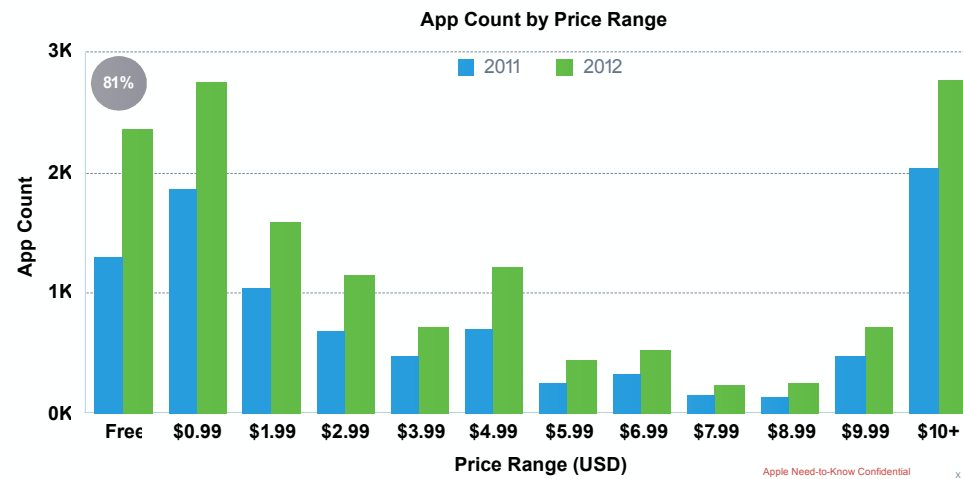


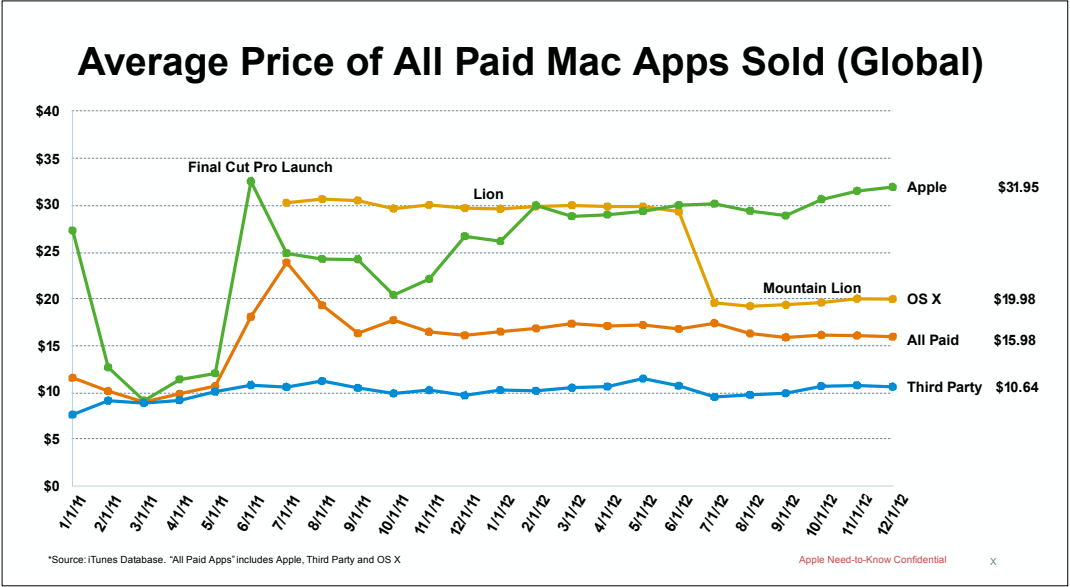
Note: Global Catalog as of 12/31/2012

Apple Need-to-Know Confidential

x

## Mac App Catalog - Price Ranges





Can Apple lead by example and lower prices of our apps? They are more expensive on Mac than iOS

## Mac App Store Downloads and Billings



# 238M

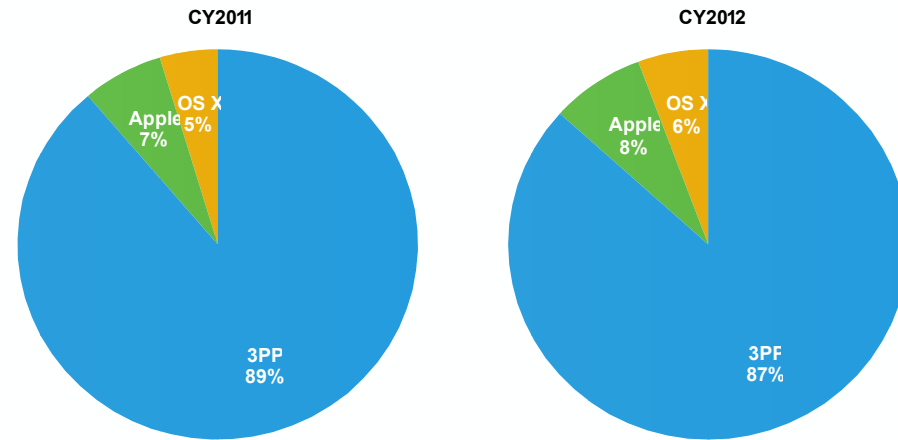
**Cumulative Mac App Store Downloads**

\*Source: iTunes Database through 12/31/2012

Apple Need-to-Know Confidential

x

## Mac App Downloads by Type



Note: Global Downloads. Apple app downloads net of adopted app units

Apple Need-to-Know Confidential x

## Top Free Mac Apps - CY2012

Rank	App	CY2012 Free Downloads
1	<b>N</b> iBooks Author (Apple)	2,196K
2	耗 Evernote (Evernote)	2,154K
3	<b>N</b> Xcode (Apple)	2,028K
4	<b>N</b> CCleaner (Piriform)	1,892K
5	耗 The Unarchiver (Dag Agren)	1,864K
6	↓5 Twitter (Twitter)	1,723K
7	<b>N</b> MenuTab for Facebook (FIPLAB)	1,390K
8	↓4 MPlayerX (Niltsh)	1,340K
9	↓6 VirtualDJ Home (Atomix Productions)	1,107K
10	<b>N</b> Red Crucible 2 (Rocketeer Games)	1,097K

\*N\* indicates an app new to the Top 10 list for CY2012

Apple Need-to-Know Confidential

x



## Top Paid Mac Apps - CY2012

Rank	App	CY2012 Paid Downloads
1	<span>N</span> OS X Mountain Lion (Apple)	7,303K
2	<span>↓ 1</span> OS X Lion (Apple)	1,615K
3	<span>耗</span> Pages (Apple)	1,424K
4	<span>↑ 2</span> Keynote (Apple)	802K
5	<span>↓ 1</span> iPhoto (Apple)	750K
6	<span>↑ 1</span> Numbers (Apple)	657K
7	<span>↓ 5</span> FaceTime (Apple)	568K
8	<span>耗</span> iMovie (Apple)	251K
9	<span>N</span> Live Wallpaper (SquidMelon)	231K
10	<span>N</span> Pixelmator (Pixelmator Team)	221K

\*N\* indicates an app new to the Top 10 list for CY2012

Apple Need-to-Know Confidential

x

## Top Grossing Mac Apps - CY2012

Rank		App	Gross Billings
1	N	OS X Mountain Lion (Apple)	\$115M
2	↓ 1	OS X Lion (Apple)	\$47M
3	↓ 1	Final Cut Pro (Apple)	\$36M
4	↓ 1	Pages (Apple)	\$28M
5	N	Logic Pro (Apple)	\$20M
6	耗	Keynote (Apple)	\$16M
7	↓ 3	Aperture (Apple)	\$13M
8	↓ 1	Numbers (Apple)	\$13M
9	↓ 4	iPhoto (Apple)	\$11M
10	N	Adobe Photoshop Elements 10 Editor (Adobe)	\$5M

\*N\* indicates an app new to the Top 10 list for CY2012

Apple Need-to-Know Confidential

x



# \$903M

**Cumulative Mac App Store Billings**

\*Source: iTunes Database through 12/31/2012

Apple Need-to-Know Confidential

x

\$903,342,100

PX-2296.107



# \$632M

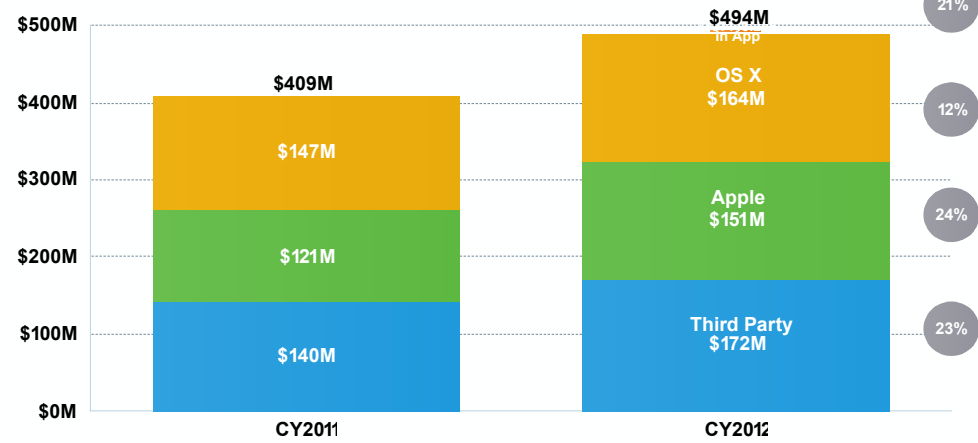
**Paid to Developers**

\*Source: iTunes Database through 12/31/2012

Apple Need-to-Know Confidential

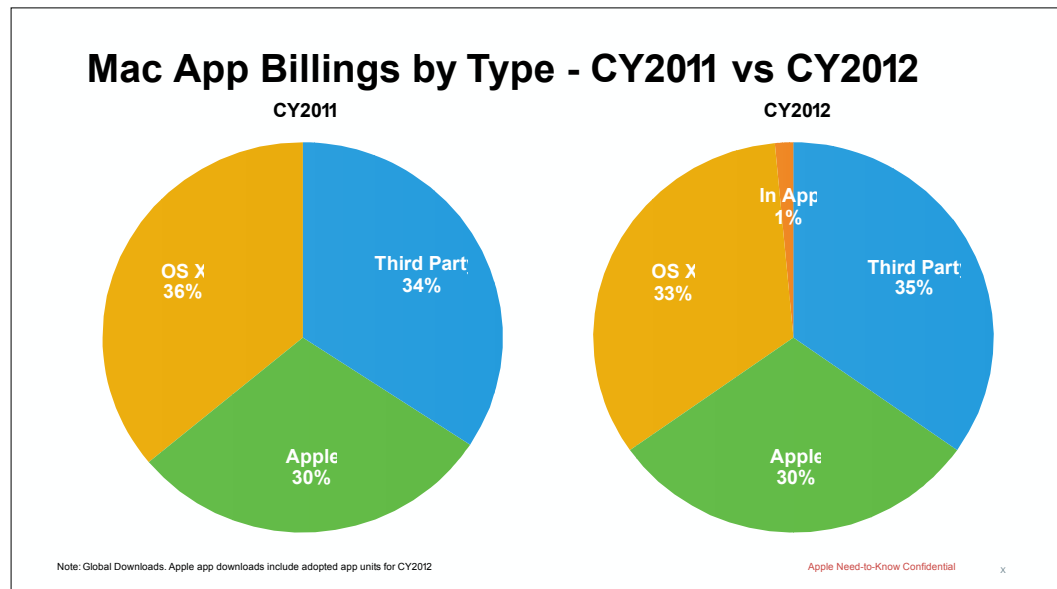
x

## Mac App Billings by Type - CY2011 vs CY2012



Apple Need-to-Know Confidential

x



No significant changes Y/Y

## Top Mac Apps Developers - CY2012

Rank	Developer	Gross Billings
1	耗 Apple	\$315M
2	耗 Aspyr Media	\$12M
3	耗 Feral Interactive	\$9M
4	↑2 Adobe Systems	\$7M
5	耗 The Omni Group	\$5M
6	N Panic	\$4M
7	↓3 UAB Pixelmator Team	\$4M
8	N AgileBits	\$3M
9	N Rockstar Games	\$2M
10	↓3 Rovio Entertainment	\$2M

\*N\* indicates an app new to the Top 10 list for CY2012

Apple Need-to-Know Confidential

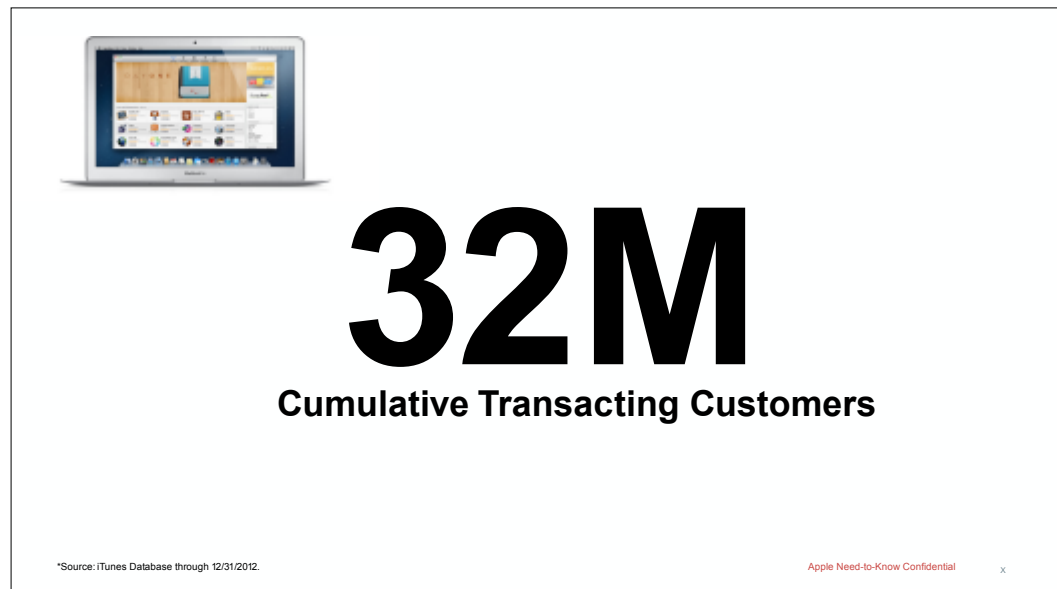
x

Feral and Aspyr are porting houses that bring console/PC games to Mac. Impossible to do day/date launches given sandboxing requirements.

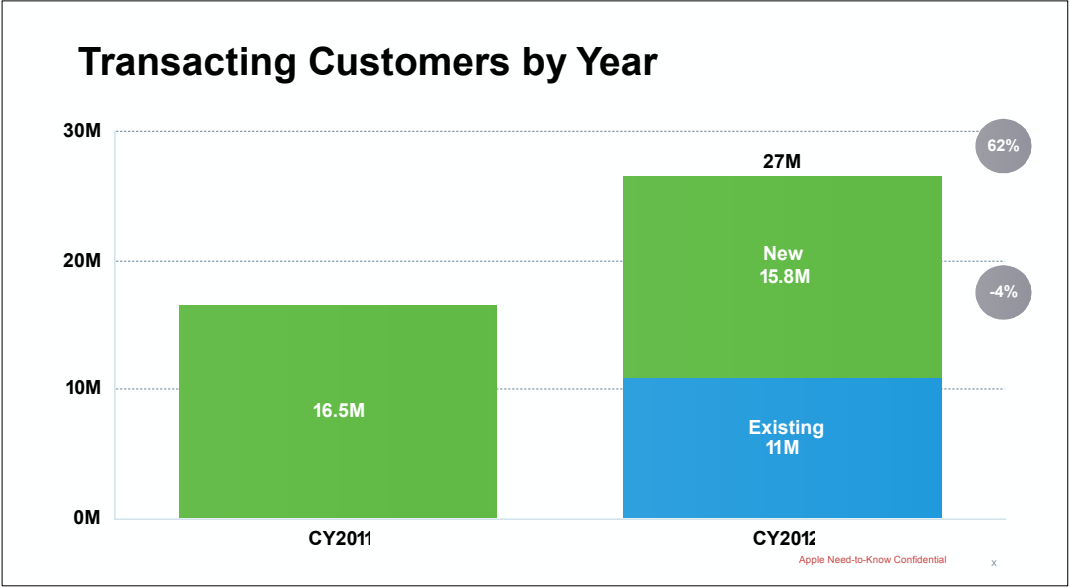
**Customers**



**Q & A**



32,236,582



New vs Existing



# 83%

**Customers downloaded a Mac app in CY2012**

\*Source: iTunes Database through 12/31/2012.

Apple Need-to-Know Confidential

x

27M / 32M

PX-2296.116



# 41%

**Customers downloaded a Mac app in past 3 months**

\*Source: iTunes Database through 12/31/2012.

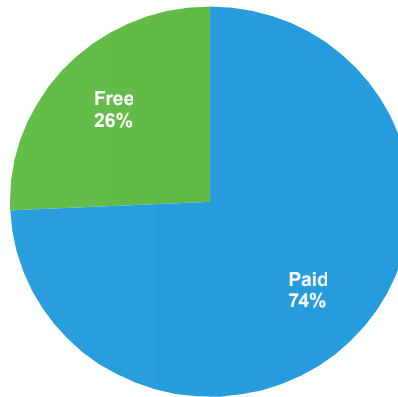
Apple Need-to-Know Confidential

x

Last three months: 13,166,122  
Overall: 32,236,582

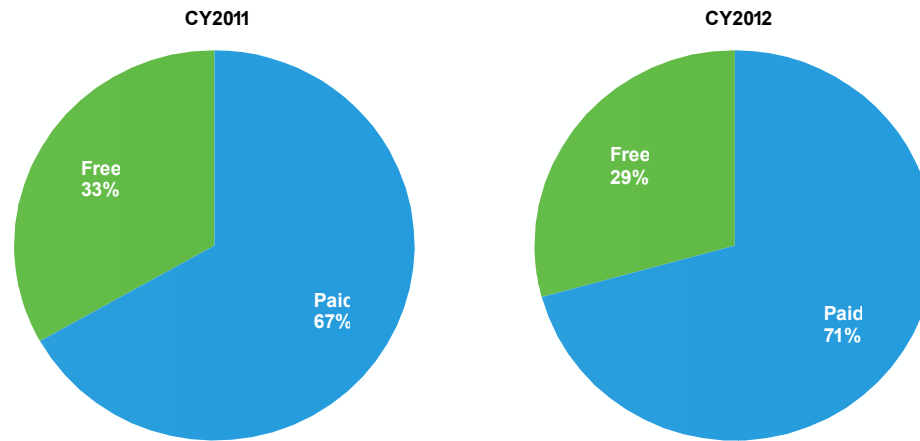
## Free vs Paid Customers to Date

32M Cumulative Mac App Store Customers



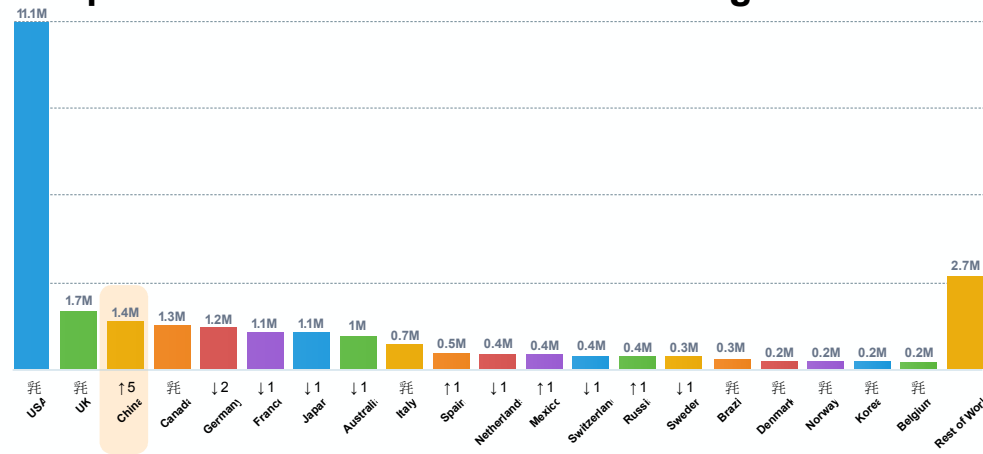
Apple Need-to-Know Confidential x

## Free vs Paid Customers by Year



Apple Need-to-Know Confidential x

## Top 20 Countries - CY2012 Transacting Customers



\*Source: iTunes Database. Includes iPad, Universal, iPhone and In-App Billings.

Apple Need-to-Know Confidential

X



